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5  
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Debtor-in-Possession

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8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

10 In re: ) Case No. 2:16-bk-26393-SK  
11 KEENEY TRUCK LINES, INC. ) Chapter 11  
12 Debtor. ) **MOTION FOR ORDER APPROVING**  
13 ) **ADEQUACY OF AMENDED**  
14 ) **DISCLOSURE STATEMENT;**  
15 ) **MEMORANDUM OF POINTS AND**  
16 ) **AUTHORITIES**  
17 )  
18 ) Date: February 21, 2018  
Time: 9:00 a.m.  
Courtroom: 1575  
Place: 255 E. Temple Street  
Los Angeles, CA 90012  
) The Honorable Sandra R. Klein

19 Keeney Truck Lines, Inc., debtor and debtor in possession (“Debtor” or “Keeney”)  
20 hereby moves the Court for an order approving Keeney’s January 16, 2018 Amended  
21 Disclosure Statement (“the Amended Disclosure Statement”) as being adequate to enable  
22 solicitation of acceptance of Keeney’s plan of reorganization under § 1125(b).<sup>1</sup>

23 Keeney filed a combined Amended Disclosure Statement and a Plan of  
24 Reorganization utilizing the Court’s approved form. A true and correct copy of the  
25 Amended Disclosure Statement is attached to this motion as Exhibit A. Keeney  
26 respectfully moves the Court to determine and order the following:

27 ///

28 \_\_\_\_\_  
<sup>1</sup>All section references are to the Bankruptcy Code, 11 U.S.C., unless noted otherwise.



1 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION**  
2 **FOR ORDER APPROVING ADEQUACY OF AMENDED DISCLOSURE**  
3 **STATEMENT**

4 **I. INTRODUCTION**

5 Keeney formerly operated as a contract and common truckload carrier of dry van  
6 freight and commodities in dry bulk. It ceased trucking operations on May 31, 2017.  
7 Prior to this, its primary area of operation was Southern California and Arizona, but it had  
8 the necessary licensing, certification and equipment to operate throughout California and  
9 the western United States.

10 Keeney was under financial stress for ten years before its bankruptcy petition,  
11 losing major clients such as General Mills and ADM Milling, facing continual pressure  
12 from rising health insurance and other labor costs connected to its collective bargaining  
13 agreement with the United Brotherhood of Teamsters, and from the February 2015  
14 dockworkers' strikes at the Ports of Los Angeles and Long Beach which caused revenue  
15 losses. All these stresses drove Keeney to file its Chapter 11 case and to cease business  
16 operations and layoff most of its employees on May 31, 2017.

17 Keeney filed its proposed Disclosure Statement [and Plan of Reorganization]  
18 ("Disclosure Statement") on August 31, 2017 (DN 155) in compliance with the court's  
19 scheduling order on July 25, 2017 (DN 122); Keeney re-filed the Disclosure Statement  
20 on October 19, 2017 for clarity in the Court's record and in support of its first motion for  
21 approval (DN 175), which was heard by the court on November 30, 2017. At the close of  
22 the November 30<sup>th</sup> hearing, the court ordered Keeney to make the amendments to the  
23 Disclosure Statement which counsel discussed with the court on the record and to file this  
24 motion for approval of the amended disclosure statement, which motion was to be heard  
25 on February 21, 2018 (see the court's scheduling minute order DN 190). The instant  
26 motion is filed and served pursuant to the court's instructions.

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1 **II. SUMMARY OF PLAN**

2 **Funding for Plan**

3 Leading up to and since terminating its trucking operations, Debtor has been  
4 working toward a liquidating Plan of Reorganization. Accordingly, with bankruptcy  
5 court approval, it sold off its tangible assets – its vehicles, equipment, furniture, and tools,  
6 with the original intention of presenting a liquidating plan. Since that time, it has become  
7 apparent to the Debtor’s principals there is a strong possibility of 100% dividends for  
8 both non-insider general unsecured creditors and for insiders. Moreover, there may also  
9 be the possibility of a long term additional asset in the form of the dividends and return of  
10 insurance premium from Debtor’s captive insurance vehicle and general liability policies,  
11 and risk retention group insurance (workers comp). Because of this, Debtor’s  
12 shareholders wish to have the corporation assume the contract for the risk retention  
13 insurance and for the company to survive confirmation of the plan of reorganization so it  
14 collect any insurance refunds which may be forthcoming.

15 **Sales of tangible assets**

16 Under two orders of the court, Keeney held auction sales on June 22, 2017 and  
17 July 18, 2017 of four lots of its trucks, trailers, equipment, tools, and furniture. The gross  
18 proceeds from the first sale was \$770,800 and the net, after deduction of liens and auction  
19 fees, was approximately \$668,800. The gross from the second sale was \$523,332.67 and  
20 after deduction of \$486,666.67 for payment of an agreed compromise of the lien of  
21 People’s Capital and Leasing and auction fees, the net was \$25,832.67, meaning the  
22 estate gained \$694,182.67 from the sales. Among the added benefits of these sales is that,  
23 as noted above, they satisfied the claim of the largest secured creditor (People’s Capital)  
24 in full.

25 As noted above, Keeney ceased operations on May 31, 2017 and has only two  
26 employees remaining. Its future actions will be distribution of the net proceeds from the  
27 June and July 2017 auctions (along with any miscellaneous collection of receipts from  
28 pre-existing accounts receivable) and, as noted above, Keeney proposes to remain in

1 existence and to keep its contingent future refunds/returns from its captive insurance and  
2 risk retention group and to possibly distribute these funds to its shareholders.

3 **The contingent insurance assets**

4 Debtor intends to remain in existence after plan confirmation instead of being fully  
5 liquidated as it had previously intended. This is proposed because Class IV shareholders  
6 will not receive anything from the auction proceeds or accounts receivable but they may  
7 still get some future recovery. The mechanisms to accomplish this stem from the  
8 Debtor's particular tax situation and from the long term, contingent refunds it may be able  
9 to receive from its insurers.

10 **Debtor's tax loss carryforward**

11 Debtor has substantial federal and state net operating loss carry forwards (NOL)  
12 going into the 2017 tax year. The NOL can be applied to reduce the estate's tax liabilities  
13 for all of the capital assets (mainly trucks) which were sold with the court's authorization  
14 in 2017, (however it is anticipated that debtor can only apply a portion of the NOL  
15 against any given tax year). If Debtor ceased to exist after confirmation of the Plan, a  
16 significant portion of the NOL could vanish and never be used.

17 **Debtor's contingent insurance refund assets**

18 Before it ceased operations as a commercial trucker, the Debtor's requirements for  
19 liability and worker's compensation insurance. Through these entities Debtor was able to  
20 substantially lower the costs of both coverages. Coverages were obtained through the use  
21 of a "captive" insurer and a risk retention group, respectively.

22 Debtor's liability coverage is connected to the captive insurer in the following  
23 way: Debtor and other similarly situated trucking companies own shares in a holding  
24 company, "Safe Trucking Holdings, Ltd." and the holding company, in turn, is parent to a  
25 wholly owned subsidiary, "Safe Trucking Insurance, Ltd." (Debtor will refer to the  
26 holding company and the insurer collectively as "the captive insurance").

27 The worker's compensation coverage was obtained by Debtor's membership in an  
28 association or risk retention group, "the California Truckers' Safety Association."

1           **General Liability Coverage**

2           Debtor bought stock in the captive insurance company and also made capital  
3 contributions (as did all the other shareholders) and the stock and capital contribution  
4 funds are used by the captive insurer as loss reserves out of which payments can be made  
5 whenever one of the covered businesses suffers a general liability or automobile accident  
6 loss. The contributed funds are referred to as each shareholder’s “collateral” and they are  
7 held to cover specific insured years. After the close of each insurance year and after  
8 passage of further time in which claims might be presented, any of the collateral not paid  
9 out on insured losses may be returned pro-rata to the shareholders. So, for example,  
10 Keeney expects a \$50,000 refund by the end of January 2018 because of an audit from the  
11 2016-2017 insurance year for the captive.

12           **Workers Compensation Coverage**

13           Debtor and the other members of the risk retention group also make capital  
14 contributions to the risk retention group as reserves for worker’s compensation claims.  
15 The risk retention group is a contractual association and there is no stock ownership, but,  
16 as with the captive insurer, the members, such as Debtor, are entitled to a return of their  
17 share of the loss coverage pool after close of an insurance year and the passage of the tail  
18 period for potential claims. Debtor expects a “return of contribution” from the risk  
19 retention group in January 2019 and again January 2020, however these can only be  
20 estimates. Determination of a final accounting will be after a plan is projected to be  
21 consummated and paid to creditors through Class III, so that assumption of the contract(s)  
22 risk retention group will have no affect on the proposed plan.

23           Debtor thus holds a contingent right to refunds/return from the captive and risk  
24 retention capital pools in 2018 and at points in the future, so Debtor is amending its  
25 Schedule B of personal property to reflect its stock ownership in the captive insurer and it  
26 will also amend it’s Schedule G/H of executory contracts to list the risk retention group.  
27 Because the captive insurer stock is vested property, Debtor may simply hold that  
28 interest; as for the risk retention group. Because the captive insurer stock is vested

1 property, Debtor may simply hold on to this stock interest post confirmation. As for the  
2 risk retention group is a contractual membership, Debtor will move the court for  
3 authorization to assume the contract under 11 U.S.C. §365.

4       It must be noted that the captive and risk retention group interests do not invariably  
5 pay refunds or make return of contribution/premiums. Because these are insurance pools,  
6 when within a year, member insured(s) sustain an extraordinary covered loss(es) the  
7 members, including the Debtor can be assessed additional loss reserve, i.e. be required to  
8 make additional contribution or premiums. So, for example, Debtor is aware a closing of  
9 2013-2014 insurance year is underway for the captive and upon closing Debtor will be  
10 expected to make an additional contribution of approximately \$25,000. Thus, the  
11 shareholders will be assuming a risk by relying on the contingent refunds because of the  
12 long tail periods (usually five to seven years after close of any given year) before either a  
13 refund or an additional assessment can occur. There are no other outstanding assessments  
14 Debtor is aware of at this time. The assessment to the Debtor by the captive discussed  
15 above is not expected to effect the distribution to creditors described herein and by way of  
16 the Debtor's proposed plan.

17       Nevertheless, Debtor, is confident the captive insurer and the risk retention group  
18 will generate net positive refunds (even if the amounts cannot be accurately calculated)  
19 and it is for this reason Debtor wishes to retain the stock ownership in the captive, and  
20 assume the contract with the risk retention group, and for the Debtor to remain in  
21 existence as a corporation after confirmation and consummation of its Plan of  
22 Reorganization.

23       Debtor will continue to exist as a California corporation after consummation of the  
24 Plan of Reorganization and its insider creditors and shareholders will receive the benefit  
25 of any refunds/returns that may be collected on the captive insurance and risk retention  
26 groups.

27       **Distribution through Plan**

28       The Disclosure Statement and Plan set forth the following framework of payments:

1                   A. Administrative Expenses

2                   There is a projected estimated total of \$146,500 in unpaid Chapter 11  
3 administrative claims which will be paid on the effective date of the plan to Keeney's  
4 general counsel, The Law Office of William P. Fennell, APLC (\$120,000 est.); Keeney's  
5 special litigation counsel, Paul, Plevin & Sullivan (\$1,500 est.); Keeney's accountants,  
6 Hoag & Robi (\$15,000), the IRS (\$8,000) and the Franchise Tax Board (\$2,000).

7                   B. Priority Tax Claims

8                   There do not appear to be any priority tax claims.

9                   C. Secured Claims

10                  There were formerly two secured claims which have both been paid outside of the  
11 plan through liquidation of the creditors' collateral and remission of the proceeds to the  
12 creditors. The two secured creditors were People's Capital and Loan Corp. (\$486,666.67)  
13 and Marlin Bank (\$19,100.48). Additionally, Wells Fargo Bank, which held a lease-  
14 security interest in a Konica copier has had the lease and back end purchase price paid off  
15 by Food Express, Inc., which bought the copier itself in the first asset sale in June 2017.

16                  D. Priority Employee Claims

17                  There are a number of former employees of Keeney who are entitled to priority for  
18 unpaid benefits, specifically payments out of an Employee Stock Ownership Plan  
19 ("ESOP"). The total of the ESOP claims to be paid on or about the effective date is  
20 \$18,220.

21                  E. General Unsecured Claims

22                  There are fifty eight general unsecured creditors whose claims total \$517,858.00.  
23 Keeney expects to be able to pay a 100% dividend on these claims on or about the  
24 effective date.

25                  F. Insider Unsecured Claims and Shareholders

26                  There are four insider claims (as defined by 11 U.S.C. § 101(31), totaling  
27 \$91,029.16. These will be paid a 100% dividend on or about the effective date.

28                  ///

1 G. Shareholders

2 As noted above, the shareholders have agreed to forego any dividend in exchange  
3 for the opportunity to continue operating the company and possibly getting some future  
4 return from the captive insurance and risk retention group insurance assets.

5  
6 **III. THE PROPOSED AMENDED DISCLOSURE STATEMENT CONTAINS  
7 SUFFICIENT INFORMATION TO ALLOW CREDITORS OF THE ESTATE  
8 TO MAKE AN INFORMED VOTE ON KEENEY'S CHAPTER 11 PLAN**

8 Pursuant to 11 U.S.C. § 1125, no proponent of a Chapter 11 plan of reorganization  
9 may seek its approval until there has been transmitted to the creditors a disclosure  
10 statement approved by the Court as containing sufficient information to permit creditors  
11 to make an informed decision regarding whether to vote for or against said plan.

12 As required by § 1125(a)(1), the disclosure statement must contain "information of a  
13 kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and  
14 history of the debtor Keeney and the condition of the debtor's books and records ... that  
15 would enable ... a hypothetical investor of the relevant class to make an informed  
16 judgment about the plan."

17 In determining whether a disclosure statement provides "adequate information" the  
18 court is to consider "the complexity of the case, the benefit of additional information to  
19 creditors and other parties in interest, and the cost of providing additional information."  
20 11 U.S.C. § 1125(a).

21 Courts interpreting section 1125(a) have explained that the "primary purpose of a  
22 disclosure statement is to give the creditors the information they need to decide whether  
23 to accept the plan." *In re Monnier Bros*, 755 F.2d 1336, 1342 (8th Cir. 1985). "According  
24 to the legislative history, the parameters of what constitutes adequate information are  
25 intended to be flexible." *In re Diversified Investors Funds XVII*, 91 B.R. 559, 560 (Bankr.  
26 C.D. Cal. 1988).

27 Relevant factors for evaluating the adequacy of a disclosure Statement may  
28 include descriptions of the following:

- 1 (1) Events which led to the filing of a bankruptcy petition;
- 2 (2) Description of the available assets and their value;
- 3 (3) Anticipated future of the company;
- 4 (4) Source of information stated in the disclosure statement;
- 5 (6) Present condition of the debtor while in Chapter 11;
- 6 (7) Scheduled claims;
- 7 (8) Comparison of estimated return to creditors under Chapter 7 liquidation;
- 8 (9) The accounting method utilized to produce financial information and the  
9 name of the accountants responsible for such information;
- 10 (10) Future management of the debtor;
- 11 (11) A copy of the Chapter 11 plan itself (or a summary of it);
- 12 (12) Estimated administrative expenses, including attorney's fees and  
13 accountant's fees;
- 14 (14) Financial information, data, valuations or projections relevant to the  
15 creditors decision to accept or reject the Chapter 11 plan; and
- 16 (15) Information relevant to the risks posed to creditors under the plan.

17 See *In re Metrocraft Pub. Services, Inc.*, 39 B.R. 567, 568 (Bankr. Ga 1984). But,  
18 "[d]isclosure of all the [the listed] factors is not necessary in every case." Id.

19 Here, Keeney's Amended Disclosure Statement was filed in the form required by  
20 the Court and it was made available to all parties in interest. The Amended Disclosure  
21 Statement contains all of the information required in order to allow creditors to determine  
22 how to vote. Keeney's Amended Disclosure Statement adequately, and in detail, *inter*  
23 *alia*, explains the financial difficulties leading to bankruptcy, the source of funds to pay  
24 creditors, it separates the creditors into classes, identifies each class's treatment, and it  
25 demonstrates the feasibility of the plan and meets the "best interest of creditors test."

26 Therefore, Keeney respectfully asserts that its proposed Amended Disclosure  
27 Statement contains sufficient information to allow creditors to make an informed decision  
28 in voting on its Chapter 11 Plan.



# EXHIBIT A

1 William P. Fennell (SBN 164210)  
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Debtor-in-Possession

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9 **UNITED STATES BANKRUPTCY COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

11 In re: ) Case No. 2:16-bk-26393-SK  
12 KEENEY TRUCK LINES, INC. ) Chapter 11  
13 Debtor. ) **AMENDED DISCLOSURE**  
14 ) **STATEMENT AND PLAN OF**  
15 ) **REORGANIZATION FILED BY**  
16 ) **DEBTOR IN POSSESSION, KEENEY**  
17 ) **TRUCK LINES, INC.**  
18 )  
19 ) Date: February 21, 2018  
Time: 9:00 a.m.  
Courtroom: 1575  
Place: 255 East Temple Street  
Los Angeles, CA 90012  
The Honorable Sandra R. Klein

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1 **I. INTRODUCTION**

2 On December 14, 2016, Keeney Truck Lines, Inc. (“Keeney” or “Debtor”) filed a  
3 bankruptcy petition under Chapter 11 of the Bankruptcy Code (Code). The document you  
4 are reading is both the Plan of Reorganization (Plan) and the Amended Disclosure  
5 Statement (DS).<sup>1</sup> Debtor has proposed the Plan to treat the claims of the Debtor's  
6 creditors and, if applicable, the interests of shareholders or partners. A DS describes the  
7 assumptions that underlie the Plan and how the Plan will be executed. The Bankruptcy  
8 Court (Court) has approved the form of this document as an adequate DS, containing  
9 enough information to enable parties affected by the Plan to make an informed judgment  
10 about the Plan. The Court has not yet confirmed the Plan, which means the terms of the  
11 Plan are not now binding on anyone. The Court has set a hearing on \_\_\_\_\_, 2018 at 8:30  
12 a.m. in Courtroom 1575, at 255 E. Temple Street, Los Angeles, CA 90012 to determine  
13 whether the Court will confirm the Plan. Any interested party desiring further  
14 information should contact counsel for the Debtor:

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17 Of Counsel: Charles F. Bethel (SBN 126036)  
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24 **II. GENERAL DISCLAIMER AND VOTING PROCEDURE**

25 PLEASE READ THIS DOCUMENT, INCLUDING THE ATTACHED  
26 EXHIBITS, CAREFULLY. IT EXPLAINS WHO MAY OBJECT TO  
27 CONFIRMATION OF THE PLAN. IT EXPLAINS WHO IS ENTITLED TO  
28 VOTE TO ACCEPT OR REJECT THE PLAN. IT ALSO TELLS ALL  
CREDITORS AND ANY SHAREHOLDERS OR PARTNERS WHAT

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<sup>1</sup>This Amended Disclosure Statement supersedes the one previously filed on October 19, 2017 (DN 176).

1 TREATMENT THEY CAN EXPECT TO RECEIVE UNDER THE PLAN,  
2 SHOULD THE PLAN BE CONFIRMED BY THE COURT.

3  
4 THE SOURCES OF FINANCIAL DATA RELIED UPON IN FORMULATING  
5 THIS DOCUMENT ARE SET FORTH IN THE DECLARATION IN SECTION  
6 XX BELOW. ALL REPRESENTATIONS ARE TRUE AND CORRECT TO  
7 THE PROPONENT'S KNOWLEDGE.

8  
9 NO REPRESENTATIONS CONCERNING THE DEBTOR THAT ARE  
10 INCONSISTENT WITH ANYTHING CONTAINED HEREIN ARE  
11 AUTHORIZED EXCEPT TO THE EXTENT, IF AT ALL, THAT THE COURT  
12 ORDERS OTHERWISE.

13 After carefully reviewing this document and the attached exhibits, please vote on  
14 the enclosed ballot and return it in the enclosed envelope. As noted above, the Proponent  
15 has reserved a hearing date for a hearing to determine whether the Court will confirm the  
16 Plan. Please refer to Section I above for the specific hearing date.

17 If, after receiving the ballots, it appears that the Proponent has the requisite  
18 number of votes required by the Code, the Proponent will file a Motion for an Order  
19 Confirming the Plan.

20 The Motion shall at least be served on all impaired creditors and partners or  
21 shareholders who reject the Plan and on the Office of the United States Trustee. Any  
22 Opposition to the Motion shall be filed and served on the Proponent (at the address in  
23 Section I above) no later than fourteen days prior to the hearing date. Failure to oppose  
24 the confirmation of the Plan may be deemed consent to the Plan's confirmation.

25 **III. WHO MAY OBJECT TO CONFIRMATION OF THE PLAN**

26 Any party in interest may object to confirmation of the Plan, but as explained  
27 below not everyone is entitled to vote to accept or reject the Plan.

28 ///

1 **IV. WHO MAY VOTE TO ACCEPT OR REJECT THE PLAN**

2 A party can vote to accept or reject the Plan only if the party has an allowed and  
3 impaired claim or interest. A claim is defined by the Code to include a right to payment  
4 from the Debtor. An interest represents an ownership stake in the Debtor.

5 In order to vote a creditor or interest-holder must first have an allowed claim or  
6 interest. With the exceptions explained below, a claim is allowed if proof of the claim or  
7 interest is properly filed before any bar date and no party in interest has objected, or if the  
8 Court has entered an order allowing the claim or interest. Please refer to Section VI  
9 below for specific information regarding bar dates in this case.

10 Under certain circumstances a creditor may have an allowed claim even if a proof  
11 of claim was not filed and the bar date for filing a proof of claim has passed. A claim is  
12 deemed allowed if the claim is listed on the Debtor's schedules and is not scheduled as  
13 disputed, contingent, or unliquidated. Exhibit "1" contains a list of claims that are not  
14 scheduled as disputed, contingent, or unliquidated.

15 Similarly, an interest is deemed allowed if it is shown on the list of equity security  
16 holders filed by the Debtor with the Court and is not scheduled as disputed.

17 In order to vote, an allowed claim or interest must also be impaired by the Plan.

18 Impaired creditors include those whose legal, equitable, and contractual rights are  
19 altered by the Plan, even if the alteration is beneficial to the creditor. A contract  
20 provision that entitles a creditor to accelerated payment upon default does not, however,  
21 necessarily render the claimant impaired, even if the Debtor defaulted and the Plan does  
22 not provide the creditor with accelerated payment. The creditor is deemed unimpaired so  
23 long as the Plan cures the default, reinstates the maturity of such claim as it existed before  
24 default, compensates for any damages incurred as a result of reasonable reliance upon the  
25 acceleration clause, and (except for a default arising from failure to operate a  
26 nonresidential lease subject to 11 U.S.C.A. § 365 (b)(1)(A) (West Supp. 2006))  
27 compensates for any actual pecuniary loss incurred as a result of any failure to perform a  
28 non-monetary obligation.

1           Impaired interest-holders include those whose legal, equitable, and contractual  
2 rights are altered by the Plan, even if the alteration is beneficial to the interest holder.

3           There are also some types of claims that the Code requires be treated a certain way.  
4 For that reason they are considered unimpaired and therefore holders of these claims  
5 cannot vote.

6           To summarize, there are two prerequisites to voting: a claim or interest must be  
7 both allowed and impaired under the Plan.

8           If a creditor or interest-holder has an allowed and impaired claim or interest, then  
9 he or she may vote either to accept or reject the Plan (unimpaired claimants or interest  
10 holders are deemed to have accepted the Plan). Impaired claims or interests are placed in  
11 classes and it is the class that must accept the Plan. Members of unimpaired classes do not  
12 vote, although as stated above, they may object to confirmation of the Plan. Even if all  
13 classes do not vote in favor of the Plan, the Plan may nonetheless be confirmed if the  
14 dissenting classes are treated in a manner prescribed by the Code. Please refer to Section  
15 VI below for information regarding impaired and unimpaired classes in this case.

16           Section IX sets forth which claims are in which class. Secured claims are placed  
17 in separate classes from unsecured claims. Fed. R. Bankr. P. 3018(d) provides: "A  
18 creditor whose claim has been allowed in part as a secured claim and in part as an  
19 unsecured claim shall be entitled to accept or reject a plan in both capacities."

## 20           **V. VOTES NECESSARY TO CONFIRM THE PLAN**

21           The Court may confirm the Plan if at least one non-insider impaired class of claims  
22 has accepted the Plan and certain statutory requirements are met as to both nonconsenting  
23 members within a consenting class and as to dissenting classes. A class of claims has  
24 accepted the Plan when more than one-half in number and at least two-thirds in amount of  
25 the allowed claims actually voting, vote in favor of the Plan. A class of interests has  
26 accepted the Plan when at least two-thirds in amount of the allowed interests of such class  
27 actually voting have accepted it. It is important to remember that even if the requisite  
28 number of votes to confirm the Plan are obtained, the Plan will not bind the parties unless

1 and until the Court makes an independent determination that confirmation is appropriate.  
2 That is the subject of any upcoming confirmation hearing.

3 **VI. INFORMATION REGARDING VOTING IN THIS CASE**

4 The bar date for filing a proof of claim in this case was April 28, 2017.

5 The bar date for objecting to claims was June 16, 2017.

6 In this case the Proponent believes that Classes 4 (shareholders) are impaired and  
7 therefore entitled to vote. Administrative, priority, secured classes, and unsecured  
8 creditors are unimpaired and therefore do not vote. A party that disputes the Proponent's  
9 characterization of its claim or interest as unimpaired may request a finding of  
10 impairment from the Court in order to obtain the right to vote.

11 Ballots must be received by the Proponent, addressed to:

12 William P. Fennell, Esq.  
13 LAW OFFICE OF WILLIAM P. FENNELL, APLC  
14 401 West A Street, Suite 1800  
San Diego, CA 92101

15 by \_\_\_\_\_, 2018.

16 **VII. DESCRIPTION OF DEBTOR'S PAST AND FUTURE BUSINESS**  
17 **AND EVENTS PRECIPITATING BANKRUPTCY FILING**

18 The Debtor is a California corporation and is not a “small business debtor” as  
19 defined in 11 U.S.C. §101(51)(D). Debtor conducted 100% of its business activity in  
20 Maywood, California since 1945. What follows is a brief summary of the dates and  
21 circumstances that led Debtor to file bankruptcy.

22 Debtor formerly operated as a contract and common truckload carrier of dry van  
23 freight and commodities in dry bulk. It ceased trucking operations on May 31, 2017.  
24 Prior to this, its primary area of operation was Southern California and Arizona, but it had  
25 the necessary licensing, certification and equipment to operate throughout California and  
26 the western United States. Debtor operated 24 tractors and over 60 trailers from its  
27 Maywood, California yard, where it also maintained offices, management, dispatch, and  
28 maintenance functions. The yard is just southeast of metropolitan Los Angeles, close by

1 the 710 freeway (the major north/south artery to and from the Ports of Los Angeles and  
2 Long Beach). Debtor also operated a railroad siding in the City of Vernon (adjacent to  
3 Maywood) and this enabled it to both ship and receive Dry Bulk railcars.

4 Debtor's pre-petition operations included the following:

- 5 • Transportation of bakery flour in bulk originating in Southern California to  
6 California and Arizona.
- 7 • Transportation of bulk corn starch throughout California.
- 8 • Transloading of various bulk products from railcars to trucks for delivery in  
9 California and Arizona.
- 10 • Transloading of free flowing food and non-food grade bulk commodities such as  
11 sugar, pulverized rubber, and construction sand, from railcars to ocean containers  
12 and consignee assigned trailers using specialty, in-house designed belt conveyors.
- 13 • Delivery or transloading of dry bulk products from seabulk containers.
- 14 • Transloading and loading super-sack bulk product for truck delivery in California  
15 and Arizona.
- 16 • Transportation to and from the Ports of Los Angeles and Long Beach.

#### 15 **A. Financial stress and losses**

16 Debtor suffered from significant financial stress over the ten years preceding its  
17 bankruptcy petition. Notable among its problems was the loss of work from two major  
18 clients: 1) Debtor lost General Mills' refrigerated and frozen business in 2006 (which was  
19 30% of its business at the time) and 2) the loss of the ADM Milling account in 2013  
20 (which was 40% of its business at that time). In both of these cases, Debtor requested  
21 financial accommodations from the Teamsters Union (which represented its driver  
22 employees) but the union refused.

23 Debtor was under constant rate pressure in the years before its bankruptcy from all  
24 of its shippers, who threatened to move business to non-union carriers. Moreover, the  
25 February 2015 dockworkers' strikes at the Ports of Los Angeles and Long Beach caused  
26 substantial losses for Debtor. And, finally, like many businesses, the continuous increase  
27 in the cost of health insurance for its employees (particularly the unionized employees)  
28 drained its resources. All these stresses drove Debtor to file its Chapter 11 case and led it

1 to cease its business operations and layoff most of its employees as of May 31, 2017.

2 Since terminating its business operations, Debtor had been working toward a  
3 liquidating Plan of Reorganization. Accordingly, with bankruptcy court approval Debtor  
4 sold off its tangible assets, its vehicles, equipment, furniture, and tools, pursuant to two  
5 orders from the court approving auctions. On June 22, 2017, with the bankruptcy court's  
6 authorization, Debtor held an auction sale of two lots of its trucks, trailers, equipment,  
7 tools, and furniture; the gross sale price totaled \$770,800, and after deduction of liens and  
8 auction fees, the net receipt to the bankruptcy estate was \$668,800.

9 Debtor held a second auction sale of its remaining vehicles and equipment in two  
10 lots on July 18, 2017, also with the approval of the bankruptcy court. The gross sale price  
11 from the second sale was \$530,000, and after deduction of \$490,000 in liens and \$7950 in  
12 auction fees, the net receipt to the estate was \$32,050, with the added benefit this second  
13 sale satisfied the claim of the largest secured creditor (People's Capital and Leasing  
14 Corp.) in full.

15 As noted above, Debtor ceased trucking operations on May 31, 2017 and has only  
16 two employees remaining. Because of the favorable auction results and the collection of  
17 miscellaneous accounts receivable, Debtor's prospects are improved to the point that its  
18 principal officers, board of directors, and shareholders are proposing to continue it in  
19 existence after the plan is consummated. Specifically, Debtor's future actions will consist  
20 of distributing the net proceeds from the June and July 2017 auctions and the remaining  
21 accounts receivable. Debtor will also collect certain contingent insurance refunds/returns  
22 as these become available. Debtor anticipates completing the process of distributing the  
23 auction and accounts receivable proceeds by July 31, 2018, at which time it will ask the  
24 Court for an order deeming the Plan consummated and enjoining any actions by creditors  
25 to collect on pre-petition claims or on certain post-petition claims and ending the Debtor's  
26 status and supervision within the Bankruptcy system.

27 ///

28 ///

1 Further details relating to the Debtor's financial condition, post-confirmation  
2 operations, the contingent insurance refunds, and the confirmation injunction are found in  
3 the sections following this one.

#### 4 **VIII. CRITICAL PLAN PROVISIONS**

5 As noted above, Debtor has reduced most of its assets to cash and will be  
6 liquidating the remaining ones over the next few months. It will, in turn, distribute the  
7 cash to its creditors under the terms set forth below and consistent with a Court confirmed  
8 plan.

#### 9 **Sources of Funds to Effectuate Plan**

##### 10 **1. Liquidation of tangible assets**

11 Debtor ceased trucking operations on May 31, 2017 and it does not expect to have  
12 any further earnings from trucking operations, although it does expect to collect a modest  
13 amount on pre-existing accounts receivable.

14 Debtor's auctions in June and July 2017 and its accounts receivable collections to  
15 date have netted a total of approximately \$800,000 as of January 12, 2018.

##### 16 **2. Insurance refunds and the retention of shareholders' interests**

17 Debtor intends to remain in existence after plan confirmation instead of being fully  
18 liquidated as it had previously intended and described in an early version of this  
19 statement. This is proposed because there will be 100% dividends to general and insider  
20 unsecured claimants (Classes II and III) but shareholders (Class IV) will receive very  
21 little of the auction and accounts receivable proceeds. Remaining as a going corporation  
22 with the same shareholders will create a possibility for a recovery for the shareholders.  
23 The mechanisms to accomplish this stem from the Debtor's particular tax situation and  
24 from the long term, contingent refunds/returns it may be able to receive from two major  
25 insurers.

##### 26 **3. Debtor's tax loss carryforward**

27 Debtor has substantial federal and state net operating loss carry forwards (NOL)  
28 going into the 2017 tax year. The NOL can be applied to reduce the estate's tax liabilities

1 for all of the capital assets (mainly trucks) which were sold with the court's authorization  
2 in 2017, (however it is anticipated that debtor can only apply a portion of the NOL against  
3 any given tax year). If Debtor ceased to exist after confirmation of the Plan, a significant  
4 portion of the NOL could vanish and never be used.

5 **4. Debtor's contingent insurance refund assets**

6 Before it ceased operations as a commercial trucker, the Debtor's requirements for  
7 liability and worker's compensation insurance led it to obtain coverage through the use of  
8 a "captive" insurer and a risk retention group, respectively. These entities allowed Debtor  
9 to substantially lower the cost of insurance.

10 Debtor's liability coverage is connected to the captive insurer in the following  
11 way: Debtor and other similarly situated trucking companies own shares in a holding  
12 company, "Safe Trucking Holdings, Ltd." and the holding company, in turn, is parent to a  
13 wholly owned subsidiary, "Safe Trucking Insurance, Ltd." (Debtor will refer to the  
14 holding company and the insurer collectively as "the captive insurance").

15 The worker's compensation coverage was obtained by Debtor's membership in an  
16 association or risk retention group, "the California Truckers' Safety Association."

17 **5. General Liability Coverage**

18 Debtor bought stock in the captive insurance company and also made capital  
19 contributions (as did all the other shareholders) and the stock and capital contribution  
20 funds are used by the captive insurer as loss reserves out of which payments can be made  
21 whenever one of the covered businesses suffers a general liability or automobile accident  
22 loss. The contributed funds are referred to as each shareholder's "collateral" and they are  
23 held to cover specific insured years. After the close of each insurance year and after  
24 passage of further time in which claims might be presented, any of the collateral not paid  
25 out on insured losses may be returned pro-rata to the shareholders. So, for example,  
26 Keeney expects a \$50,000 refund by the end of January 2018 because of an audit from the  
27 2016-2017 insurance year for the captive.

28 ///

1 **6. Workers Compensation Coverage**

2 Debtor and the other members of the risk retention group also make capital  
3 contributions to the risk retention group as reserves for worker's compensation claims.  
4 The risk retention group is a contractual association and there is no stock ownership, but,  
5 as with the captive insurer, the members, such as Debtor, are entitled to a return of their  
6 share of the loss coverage pool after close of an insurance year and the passage of the tail  
7 period for potential claims. Debtor expects a "return of contribution" from the risk  
8 retention group in January 2019 and again January 2020, however these can only be  
9 estimates. Determination of a final accounting will be after a plan is projected to be  
10 consummated and paid to creditors through Class III, so that assumption of the contract(s)  
11 risk retention group will have no affect on the proposed plan.

12 Debtor thus holds a contingent right to refunds from the captive and risk retention  
13 capital pools in 2018 and afterward and it is amending its Schedule B of personal  
14 property to reflect its stock ownership in the captive insurer and it will also amend its  
15 Schedule G/H of executory contracts to list the risk retention group. Because the captive  
16 insurer stock is vested property, Debtor may simply hold on to it; conversely, as to the  
17 risk retention group contractual membership, Debtor will move the court for authorization  
18 to assume the contract under 11 U.S.C. §365.

19 It must be noted that the captive and risk retention group interests do not invariably  
20 pay refunds. Because these are insurance pools, when within a year member insured(s)  
21 sustain extraordinary insured loss(es), the members, including the Debtor can be assessed  
22 additional loss reserve. So, for example, Debtor is aware a closing of 2013-2014  
23 insurance year is underway for the captive and upon closing Debtor will be expected to  
24 make an additional contribution of approximately \$25,000. Thus, the  
25 shareholders will be assuming a risk by relying on the contingent refunds because of the  
26 long tail periods (usually five to seven years after close of any given year) before either a  
27 refund or an additional assessment can occur. There are no other outstanding assessments  
28 Debtor is aware of at this time. The assessment to the Debtor by the captive discussed

1 above is not is not expected to effect the distribution described herein, or the Debtor's  
2 proposed plan.

3 Nevertheless, Debtor, is confident the captive insurer and the risk retention group  
4 will generate net positive refunds (even if the amounts cannot be accurately calculated)  
5 and it is for this reason it wishes to retain its stock ownership in the captive, and assume  
6 the contract with the risk retention group, and for the Debtor to remain in existence as a  
7 corporation after confirmation and consummation of its plan of reorganization.

8 Debtor will continue to exist as a California corporation after consummation of the  
9 Plan of Reorganization and its insider creditors and shareholders will receive the benefit  
10 of any refunds that may be paid on the captive insurance and risk retention assets.

#### 11 **7. Likely dividend**

12 General unsecured creditors and insiders can expect a dividend payment by  
13 approximately \_\_\_\_\_, 2018 in the full amount of their claims and there will, therefore,  
14 be no further distribution to general creditors.

### 15 **IX. DESCRIPTION AND TREATMENT OF CLAIMS**

#### 16 a. Overview of Plan Payments

17 Below is a summary of who will get paid what amount, when payments will be  
18 made and from what source(s). The identity of members within a particular class is  
19 explained beginning on the next page. The second column lists two amounts. First, the  
20 amount of each payment, or if only one is to be made, then that amount; second, the total  
21 amount that will be paid. The Proponent is usually not required by law to pay an  
22 unsecured creditor or interest holder everything it would otherwise be entitled to, had a  
23 bankruptcy case not commenced. The "Payment Due Date" column states the frequency  
24 with which payments will be made and the starting and ending dates. Look at the starting  
25 date to figure out who will be paid before and after you and in what amount. The "Source  
26 of Payment" column describes the expected source of payment. Further details regarding  
27 the source of payment are found in sections VIII (above) and X and XI (below).

28 The timing of payments to many creditors is determined by the "Effective Date."

1 Administrative claims, unless otherwise stated, must be paid by the Effective Date. The  
2 timing of payments to impaired creditors is measured from the Effective Date. In this  
3 case, the Effective Date is the date an order confirming Debtor's Plan of Reorganization  
4 becomes final and non-appealable. Attached as Exhibit 1 is a Spreadsheet with claims  
5 classification and amounts of claims.

6 All claims listed below are undisputed. Certain of the general claimants are  
7 subordinated because they are insiders and/or affiliates of the Debtor.

8 Below is a detailed description and treatment of administrative expenses, claims  
9 and interests.

10 b. Administrative Expenses

- 11 1. These include the "actual, necessary costs and expenses of  
12 preserving the estate" as determined by the Court after notice to  
13 creditors of a request for payment and after a hearing thereon.
- 14 2. The Code requires that allowed administrative expenses be paid on  
15 the effective date unless the party holding the administrative expense  
16 agrees otherwise. These claimants have not agreed otherwise.

17 Administrative Expense #1.

18 Claimant: Law Office of William P. Fennell, APLC

19 \$120,000, subject to court approval is an estimate of additional fees through  
20 12/31/17 (\$112,645 interim fees were approved 8/28/17 and paid, and will  
21 be requested to be made final at about the time of confirmation)

22 Administrative Expense # 2.

23 Claimant: Paul, Plevin, Sullivan & Connaughton

24 \$1,500, subject to court approval is an estimate of additional fees through  
25 12/31/17 (\$4,926.24 interim fees were approved 8/28/17 and paid; and will  
26 be requested to be made final at about the time of confirmation)

27 Administrative Expense # 3.

28 Claimant: Hoag & Robi

1 \$16,000.00 subject to court approval is an estimate of additional fees  
2 through 12/31/17 (\$ 147,500.00 interim fees were approved 8/28/17 and  
3 paid; and will be requested to be made final about the time of confirmation)

4 Administrative Expense # 4.

5 Claimant: Internal Revenue Service

6 \$8,000 for 2017 income taxes

7 Administrative Expense # 5.

8 Claimant: Franchise Tax Board

9 \$2,000 for 2017 income taxes

10

11 Total of all administrative expenses is estimated for the entire case \$279,500, of  
12 this estimate approximately \$132,000 has been authorized for payment by the  
13 Court and paid on or about August 30, 2017. The difference, an estimated  
14 \$137,500 will be the subject of fee applications, plus estimated administrative  
15 taxes of \$10,000 near the time of plan confirmation, as well as the Debtor's 2017  
16 tax returns.

17

c. Unsecured Tax Claims

18

1. These include certain types of property, sales, and income  
19 taxes.

20

2. The Code requires that the holders of such claims receive  
21 regular installment payments in cash over a period ending not  
22 later than five years after the date of the order for relief,  
23 unless agreed otherwise. The claimant has not agreed  
24 otherwise. These claimants will be paid 100% on the  
25 Effective Date. The total cash payments must have a present  
26 value equal to the amount of the allowed claim. The  
27 treatment of this claim is in a manner not less favorable than  
28 the most favored nonpriority unsecured claim provided in this

1 Plan (other than any cash payments to an administratively  
2 convenient class). The amount of the allowed claim includes  
3 the amount of tax owed plus interest. The present value is  
4 calculated as of the effective date.

5 **3. At present, there do not appear to be any priority tax claims**

6 d. UNCLASSIFIED AS PAID OUTSIDE OF PLAN.

7 Secured Claim of People's Capital and Loan Corp.

8 Total amount of allowed claim: \$490,000 (per agreement of Debtor and  
9 Creditor)

10 Payment to satisfy the secured claim of \$490,000 was made outside the  
11 plan, per court order on the Debtor's second sale of assets.

12 Interest rate (to compensate creditor because claim is paid over time): N/A

13 Impaired - NO

14 Final payment date: August 31, 2017 (estimated)

15 Amount: \$490,000

16 Lien is not modified in any way by the Plan.

17 Description of Collateral: Ten Freightliner and five Volvo diesel tractors

18 **Additional comments: This claim was paid in full, outside of the plan,**  
19 **through a transfer of proceeds from Keeney's second court approved**  
20 **auction, held on July 18, 2017, order entered July 19, 2017, which**  
21 **authorized payment of this claim at an agreed compromised amount, of**  
22 **\$486,666.67.**

23 Secured Claim of Marlin Business Bank

24 Total amount of allowed claim: \$19,100.48

25 Total amount of payment to satisfy the secured claim: \$19,100.48

26 Interest rate (to compensate creditor because claim is paid over time): N/A

27 Impaired - NO

28 First payment date:

1 Amount of each installment: \$19,100.48

2 Frequency of payments: Paid outside of plan.

3 Total yearly payments: \$19,100.48

4 Final payment date:

5 Lien is not modified in any way by the Plan.

6 Description of Collateral: One Forklift.

7 **Additional comments: This claim has been paid in full, outside of the**  
8 **plan.**

9 Possibly Secured Claim of Wells Fargo Vendor Financial Services, LLC  
10 (WFVFS)

11 Total amount of allowed claim: \$6,251.28

12 Wells Fargo is the assignee of a lessor on a Konica photocopier. The lease  
13 will expire in March 2018 and it includes a surrender or buyout clause with  
14 respect to the collateral.

15 Description of Collateral: One Leased Konica photocopier

16 **Additional comments: The copier has been sold to Food Express, Inc.,**  
17 **which has paid off WFVFS's buyout claim for the copier. Thus, this**  
18 **claim has been paid in full, outside of the plan.**

19 e. CLASS ONE

20 Priority Employee Claims

21 1. These are former employees of Debtor who are entitled to priority under 11  
22 U.S.C. §507(a)(4-5) for unpaid employment benefits, specifically payments out of an  
23 "Employee Stock Ownership Plan" ("ESOP").

24 2. The Code requires that the holders of such claims receive regular  
25 installment payments in cash over a period ending not later than five years after the date  
26 of the order for relief, unless agreed otherwise. The claimant has not agreed otherwise.  
27 These claimants will be paid 100% on the Effective Date. The total cash payments must  
28 have a present value equal to the amount of the allowed claims. The treatment of these

1 claims is in a manner not less favorable than the most favored nonpriority unsecured  
2 claim provided in this Plan. The present value is \$18,217.83.

3 3. The individual employees and the amounts of their ESOP claims are listed  
4 in the claims spreadsheet, attached as Exhibit 1.

5 f. CLASS TWO

6 Unsecured Claims

7 See Exhibit 1 for list of claimants and amount owed each.

8 Total amount of allowed claims: \$517,858.00

9 Total amount of payments (over time) to satisfy claims: \$517,858.00

10 Impaired: No

11 First payment date: Effective Date

12 Approximate amount of each installment: 100%

13 Frequency of payments: 1

14 Total yearly payments: N/A

15 Final payment date: Effective date of plan.

16 Additional comments: It is anticipated there will be a 100% dividend to  
17 Class Two.

18 g. CLASS THREE

19 Insider Claims

20 1. This is the claim of a person as defined in 11 U.S.C.A. § 101(31)  
21 (West Supp. 2006). Essentially, an insider is a person with a close  
22 relationship with the Debtor, other than a creditor-debtor relationship.

23 Insider # 1.

24 Claimant: Dan Hubbard

25 Total amount of allowed claim: \$7,800.00

26 Total amount of payments (over time) to satisfy claims: \$7,800.00

27 Interest rate (to compensate creditors because claim is paid over time):

28 Impaired: No

1 First payment date: Upon the effective date of plan.  
2 Additional comments: It is anticipated the insider claims will receive a  
3 100% dividend.  
4 Insider # 2.  
5 Claimant: Keeney Family Trust  
6 Total amount of allowed claim: \$40,165.62  
7 Total amount of payments (over time) to satisfy claims: \$40,165.62  
8 Interest rate (to compensate creditors because claim is paid over time):  
9 Impaired: No  
10 Additional comments: It is anticipated the insider claims will receive a  
11 100% dividend.  
12 Insider # 3.  
13 Claimant: Pallets Plus, Inc.  
14 Total amount of allowed claim: \$5,699.00  
15 Total amount of payments (over time) to satisfy claims: \$5,699.00  
16 Interest rate (to compensate creditors because claim is paid over time):  
17 Impaired: No  
18 Additional comments: It is anticipated the insider claims will receive a  
19 100% dividend.  
20 Insider # 4.  
21 Claimant: Pallets Plus, Inc.  
22 Total amount of allowed claim: \$35,757.73  
23 Total amount of payments (over time) to satisfy claims:\$35,757.73  
24 Interest rate (to compensate creditors because claim is paid over time):  
25 Impaired: No  
26 Additional comments: It is anticipated the insider claims will receive a  
27 100% dividend This is a transferred claim. The original claimant, SC Fuels,  
28 filed a lawsuit outside the bankruptcy against Keeney's former employee

1 Robert Hubbard and Pallets Plus, the latter paid to settle the Superior court  
2 claim and SC Fuels transferred its to Pallets Plus as part of the settlement,  
3 transfer pleadings filed with the bankruptcy court on 9/1/2017 (DN 159).

4 Insider #5.

5 Claimant: Walter L. Keeney

6 Total amount of allowed claim: \$1,606.81

7 Total amount of payments (over time) to satisfy claims: \$1,606.81

8 Interest rate (to compensate creditors because claim is paid over time):

9 Impaired: No

10 Additional comments: It is anticipated the insider claims will receive a  
11 100% dividend.

12 TOTAL INSIDER CLAIMS \$91,029.16

13 h. CLASS FIVE

14 Shareholder Interests

15 1. Under the Plan, the shareholders will retain their shares of stock and  
16 they may receive some value or they may receive nothing, depending  
17 on the future payouts by the captive insurance, the risk retention  
18 group and future collection of accounts receivable.

19 **X. SOURCE OF MONEY TO PAY CLAIMS AND INTEREST-HOLDERS**

20 The Plan cannot be confirmed unless the Court finds that it is "feasible," which  
21 means that the Proponent has timely submitted evidence establishing that the Debtor will  
22 have sufficient funds available to satisfy all expenses, including the scheduled creditor  
23 payments discussed above. What follows is a statement of projected cash flow for the  
24 duration of the Plan. The focus is on projected cash receipts and cash disbursements. All  
25 non-cash items such as depreciation, amortization, gains and losses are omitted. A  
26 positive number reflects a source of cash; a (negative number) reflects a use of cash.  
27 Net cash flow Payments for auctioned trucks, trailers, furniture, equipment and accounts  
28 receivable is approximately \$800,000.00

1 Net cash available to Debtor after all plan payments made is expected to be:  
2 \$25,395.01

3 Section XV(c) states the assumptions and details surrounding the statement of  
4 projected cash flow.

5 On the effective date, the Plan pays administrative and priority claims in full,

6 **XI. FINANCIAL RECORDS TO ASSIST IN DETERMINING**

7 **WHETHER PROPOSED PAYMENT IS FEASIBLE**

8 Attached as Exhibits 3 and 4, are two financial reports, 1) a Balance Sheet for the  
9 2017 year to date, through December 31, 2017, and 2) a Profit and Loss statement for the  
10 period January 1, 2017 to December 31, 2017. These are both generated from Debtor's  
11 accounting kept in the ordinary course of business. These were generated mid- January  
12 without accountants review.

13 **XII. ASSETS AND LIABILITIES OF THE ESTATE**

14 a. Assets

15 The identity and fair market value of the estate's assets are listed in Exhibits 3 and 4 so  
16 that the reader can assess what assets are at least theoretically available to satisfy claims  
17 and to evaluate the overall worth of the bankruptcy estate. The Plan does not propose to  
18 sell any additional assets as discussed above and in section XVI, below, because the  
19 estate consists of cash accounts; some accounts receivables; collateral account(s) with  
20 debtor's liability insurance provider; and the prospect of possible return of worker's comp  
21 insurance premiums possibly at some time in the future.

22 b. Liabilities

23 Exhibit 1 shows the estimated allowed claims against the estate, the treatment of those  
24 claims is explained in detail by section IX.

25 c. Summary

26 The value of all assets has been determined by prior court approved sales of assets, the  
27 net liquidation plus net profit from post-petition operations and is estimated to be  
28 \$800,000. Total liabilities are estimated to be \$774,604.99.

1 **XIII. TREATMENT OF NON-CONSENTING CLASSES**

2 As stated above, even if all classes do not consent to the proposed treatment of  
3 their claims under the Plan, the Plan may nonetheless be confirmed if the dissenting  
4 classes are treated in a manner prescribed by the Code. The process by which dissenting  
5 classes are forced to abide by the terms of a plan is commonly referred to as "cramdown."  
6 The Code allows dissenting classes to be crammed down if the Plan does not  
7 "discriminate unfairly" and is "fair and equitable." The Code does not define  
8 discrimination, but it does provide a minimum definition of "fair and equitable." The term  
9 can mean that secured claimants retain their liens and receive cash payments whose  
10 present value equals the value of their security interest. For example, if a creditor lends  
11 the Debtor \$100,000 and obtains a security interest in property that is worth only  
12 \$80,000, the "fair and equitable" requirement means that the claimant is entitled to cash  
13 payments whose present value equals \$80,000 and not \$100,000. The term means that  
14 unsecured claimants whose claims are not fully satisfied at least know that no claim or  
15 interest that is junior to theirs will receive anything under the Plan, except where the  
16 Debtor is an individual, has elected to retain property included in the Estate under 11  
17 U.S.C.A. § 1115 (West Supp. 2006) and has satisfied 11 U.S.C.A. § 1129(b)(2)(B)(ii)  
18 (West Supp. 2006). "Fair and equitable" means that each holder of an interest must  
19 receive the value of such interest or else no junior interest is entitled to receive anything.

20 Therefore, if a class of general unsecured claims votes against the Plan, the Plan  
21 cannot be confirmed where the Debtor or a class of interest holders (e.g. shareholders or  
22 partners) will receive or retain any property under the Plan, unless the Plan provides that  
23 the class of general unsecured claims shall be paid in full with interest. These are  
24 complex statutory provisions and the preceding paragraphs do not purport to state or  
25 explain all of them fully.

26 **XIV. TREATMENT OF NONCONSENTING MEMBERS OF**  
27 **CONSENTING CLASS (CHAPTER 7 LIQUIDATION ANALYSIS)**

28 The Plan must provide that a nonconsenting impaired claimant or interest holder of

1 a consenting class receive at least as much as would be available had the Debtor filed a  
2 Chapter 7 petition instead.

3 In a Chapter 7 case the general rule is that the Debtor's assets are sold by a trustee.  
4 Unsecured creditors generally share in the proceeds of sale only after secured creditors  
5 and administrative claimants are paid. Certain unsecured creditors get paid before other  
6 unsecured creditors do. Unsecured creditors with the same priority share in proportion to  
7 the amount of their allowed claim in relationship to the total amount of allowed claims.

8 A creditor would recover from the assets of the bankruptcy estate less under  
9 Chapter 7 than under Chapter 11 for three reasons. First, the Chapter 7 liquidation value  
10 of \$800,000 is the equivalent of the total amount which will be paid out under this plan.  
11 The different result is because a Chapter 7 trustee and his professionals will add a large  
12 new layer of administrative expenses to the case which will be paid before any priority or  
13 unsecured creditors. In a chapter 7 case a trustee is appointed and is entitled to  
14 compensation from the bankruptcy estate in an amount no more than 25% of the first  
15 \$5,000 of all moneys disbursed, 10% on any amounts over \$5,000 and up to \$50,000, 5%  
16 on all amounts over \$50,000 and up to \$1,000,000, and such reasonable compensation no  
17 more than 3% of moneys over \$1,000,000. Attached as Exhibit 5 is a Spreadsheet  
18 comparing the Liquidation Analysis under the Debtor's proposed Plan versus by chapter 7.

#### 19 **XV. FUTURE DEBTOR**

20 Debtor will cease operations after payout of all the liquidation proceeds and will  
21 continue to exist solely for the purpose of collecting receivables, any return of  
22 contributions Keeney may be entitled to as a member of the Risk Retention Group, or as a  
23 shareholder in the captive insurer. Debtor's principal, Dan Hubbard, will remain in place  
24 to make the dividend disbursements.

#### 25 **XVI. SALE OR TRANSFER OF PROPERTY; ASSUMPTION** 26 **OF CONTRACTS AND LEASES; OTHER PROVISIONS**

27 The Plan provides for the following:

- 28 1. Liquidation of Assets as noted above;

- 1 2. Rejection of collective bargaining agreement with the Teamsters;
- 2 3. Assumption of the membership contract with the risk retention group
- 3 (California Truckers Safety Association).

4 The Court must make certain findings of fact before approving the aforementioned  
5 provisions as part of the Plan. The Proponent will request that the Court make the  
6 appropriate findings at the confirmation hearing, based upon evidence submitted in  
7 support of the confirmation motion.

8 **XVII. BANKRUPTCY PROCEEDINGS**

9 The Court has entered the following orders on the following dates in this case:

10	12/22/2016	DN 19	Order on Emergency Motion to Pay Pre-Petition Payroll
11			(the court authorized Debtor to pay its employees for the
12			last 12 days preceding the December 14, 2016 bankruptcy
13	02/21/2017	DN 51	Order Setting Bar Date For Filing Proofs of Claim
14	02/23/2017	DN 56	Order Approving Stipulation to Allow DIP to Maintain
15			General Bank Account (the court approved Debtor's use
16			of its pre-petition bank account at California United Bank
17			so it could continue to receive payments by electronic
18			transfer from its clients)
19	03/03/2017	DN 60, 61,	Orders Approving Employment of the Law Office of
20		62	William P. Fennell, APLC as Debtor's General Counsel;
21			of Hoag & Robi as the Debtor's Accountants; and of Paul,
22			Plevin, Sullivan & Connaughton, LLP as Debtor's Special
23			Labor Litigation Counsel.
24	06/01/2017	DN 88	Order approving Debtor's Application to Employ an
25			Auctioneer.
26	06/06/2017	DN 90	Order Approving Debtor's Entry into a Commercial Lease
27			Agreement, <i>nunc pro tunc</i> .
28	06/09/2017	DN 98	Order Approving Debtor's First Sale Motion.
	07/19/2017	DN 120	Order Approving Debtor's Second Sale Motion.
	09/28/2017	DN 146	Order Approving Stipulation for Rejection of Collective
			Bargaining Agreement with United Brotherhood of
			Teamsters
	09/28/2017	DN 149	Order Approving First Interim Fee Applications by Law
			Office of William P. Fennell, APLC; Paul, Plevin,
			Sullivan & Connaughton LLP; and Hoag & Robi, Inc.

1 09/20/2017 DN 165 Amended Order Approving Motion For: 1. Second Sale  
2 of Estate Property and Agreements Thereon; 2. Sale of  
3 Property Free and Clear of Liens; 3. Marketing and  
4 10/02/2017 DN 171 Order Denying Debtor's ex-parte application to file a  
5 Nunc Pro Tunc motion for approval of Disclosure  
6 Statement

7 No adversary proceedings have been filed in this case and the court has approved  
8 the employment of all of the Debtor's professionals.

9 **XVIII. TAX CONSEQUENCES OF PLAN**

10 Debtor does not believe there will be any meaningful tax consequences of its Plan.  
11 The reason for this is Debtor is current on all pre- and post-petition taxes and, after  
12 paying out its remaining funds as described above, Debtor will only exist to collect the  
13 contingent insurance refunds.

14 **XIX. EFFECT OF CONFIRMATION OF PLAN**

15 a. **General Comments**

16 The provisions of a confirmed Plan bind the Debtor, any entity acquiring property  
17 under the Plan, and any creditor, interest holder, or general partner of the Debtor, even  
18 those who do not vote to accept the Plan.

19 The confirmation of the Plan vests all property of the estate in the Debtor.

20 The automatic stay is lifted upon confirmation as to property of the estate.  
21 However, the stay continues to prohibit collection or enforcement of pre-petition claims  
22 against the Debtor or the Debtor's property until the date the Debtor receives a discharge.  
23 Debtor is seeking a discharge as discussed below.

24 b. **Discharge of Liability for Payment of Debts; Status of Liens; Equity**  
25 **Security Holders**

26 Debtor is seeking an order of discharge and except as otherwise provided in the  
27 Plan or the Confirmation Order, confirmation of the Plan shall operate as a discharge  
28

1 pursuant to Code section 1141(d)(1), effective as of the Effective Date, of any and all  
2 debts or claims against the Debtor that arose at any time before confirmation, including  
3 but not limited to all principal and interest, whether accrued before, on or after the  
4 Petition Date. As to every discharged debt and claim, the creditor that held such debt or  
5 claim shall be precluded from asserting against the Debtor or against the Debtor's assets  
6 or the Reorganized Debtor or any assets of the Reorganized Debtor, and/or any further  
7 claim based upon any document, instrument or act, omission, transaction or any other  
8 activity of any kind or nature that occurred prior to the confirmation of the Plan,  
9 including, without limitation, claims in the nature of successor liability. Without limiting  
10 the generality of the foregoing, on the Effective Date the Debtor shall not be discharged  
11 from any debt that arose before confirmation of the Plan and any debt of the kind  
12 specified in §§502(g) or 502(I) of the Bankruptcy Code to the full extent permitted by  
13 §1141(d)(1)(A) of the Code (Debtor is not currently aware of any outstanding claims  
14 under §502(g) for rejection of any executory contract or lease. Debtor will pay its 2017  
15 taxes as administrative expenses and is not aware of any other post-petition taxes which  
16 would be owed under §502(I)).

17 Furthermore, all claims and debts against the Debtor which are so  
18 discharged may not be asserted against the Reorganized Debtor under any circumstances  
19 unless pursuant to the provisions of the Plan.

20 c. Exculpation

21  
22 Except as otherwise provided by the Plan or the Confirmation Order, on the  
23 Effective Date, the Debtor and the Debtor's officers, directors, shareholders, employees,  
24 representatives, counsel, financial advisors or other agents and their successors and  
25 assigns shall be deemed released by each of them against the other, and by all holders of  
26 claims or equity interests or any other entity and/or party served with a copy of this  
27 Disclosure Statement and Plan or otherwise having notice of the filing of the Plan, of and  
28 from any claims, obligations, rights, causes of action and liabilities for any act or

1 omission in connection with, or arising out of, the chapter 11 case, including, without  
2 limiting the generality of the foregoing, all motions filed by the Debtor, the Disclosure  
3 Statement, the pursuit of approval of the Disclosure Statement, the pursuit of  
4 confirmation of the Plan, the negotiation, formulation, and/or consummation of the  
5 Plan or the administration of the Plan or the property to be distributed under the  
6 Plan or any acts or omissions taken with respect to any contract, instrument,  
7 release or other agreement or document created in connection with the Plan, except  
8 for acts or omissions which constitute willful misconduct or gross negligence.

9  
10 Notwithstanding the foregoing, this provision of the Plan shall not exculpate any act or  
11 omission, forbearance from action, decision, or exercise of discretion taken after the  
12 Effective Date by an attorney to the extent such exculpation would violate the California  
13 Rules of Professional Conduct, or by a Professional, to the extent that inclusion of such  
14 exculpation in the Plan is later determined to have been prohibited by 11 U.S.C. §  
15 1125(e).  
16

17 d. Modification of the Plan

18 The Proponent may modify the Plan pursuant to 11 U.S.C.A. § 1127 (West 2004 &  
19 Supp. 2006).

20 e. Post-Confirmation Causes of Action

21 To the best knowledge of the Proponent, the estate does not possess any causes of  
22 action of any recoverable value.

23 f. Final Decree

24 Once the Plan has been consummated, a final decree may be entered upon motion  
25 of the Proponent. The effect of the final decree is to close the bankruptcy case. After  
26 such closure, a party seeking any type of relief relating to a Plan provision can seek such  
27 relief in a state court of general jurisdiction.  
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**XX. DECLARATION IN SUPPORT OF DISCLOSURE STATEMENT AND PLAN**

I, Dan Hubbard, declare under penalty of perjury under the laws of the United States of America that the following statements are true and correct based upon my personal knowledge.

I. William P. Fennell, Esq. and Charles F. Bethel, Esq., Dan Hubbard, and Bill Robi, CPA, are the individuals who prepared this document.

II. The source of all financial data is Keeney’s books and records.

III. All facts and representations in the Plan and Disclosure Statement are true to the best of my knowledge.

IV. No fact material to a claimant or equity security holder in voting to accept or reject the proposed Plan has been omitted.

V. The name of the person(s) who prepared the cash flow projections and the other financial documents are Dan Hubbard, and Hoag & Robi, and such persons were acting within the capacity of president and accountant for the Debtor, respectively.

VI. The accounting method(s) used to prepare the cash flow projections and the other financial documents is accrued basis.

Executed this 16<sup>th</sup> day of January, 2018 at Los Angeles, California.

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Presented by: LAW OFFICE OF WILLIAM P. FENNELL, APLC

Dated: January 16, 2018 By: William P. Fennell  
William P. Fennell, Esq.  
Attorney for Debtor-in-Possession

# EXHIBIT 1

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
507(a)(2) - Administrative	Law Office of William P. Fennell, APLC	401 West A Street, Suite 1800, San Diego, CA 92101	\$120,000.00		\$120,000.00			
507(a)(2) - Administrative	Paul, Plevin, Sullivan & Connaughton LLP	101 West Broadway, Ninth Floor, San Diego, CA 92101	\$1,500.00		\$1,500.00			
507(a)(2) - Administrative	Hoag & Robi, CPAs	2660 Townsgate Rd., #330 Westlake Village CA 91361	\$16,000.00		\$16,000.00			
507(a)(2) - Administrative	IRS--2017 taxes		\$8,000.00		\$8,000.00			
507(a)(2) - Administrative	FTB--2017 taxes		\$2,000.00		\$2,000.00			
Subtotal admin			\$147,500.00		\$147,500.00			
507(a)(4-5) Priority Employees	Cecil Reyes	7927 E. Arroyo Avenue, Rosemead, CA 91770	\$1.62		\$8,291.96	3/20/2017	12	Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	Charles E. Randmel	441 Calle Borrego, Walnut, CA 91789	\$5,211.67		\$5,211.67			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	Eloy Adame	5651 Via Corona Street, Los Angeles, CA 90022	\$55.88		\$55.88			Employee Stock Ownership Plan Distribution Payment

**EXHIBIT A**

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
507(a)(4-5) Priority Employees	Fulgencio Bonilla	1226 E. Louisa Avenue, West Covina, CA 91790- 1348	\$1.10		\$1.10			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	J Calvin De Jager	18461 Old River Road, Bakersfield, CA 93311	\$0.16		\$0.16			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	James Stout	1064 Westbrook Street, Corona, CA 92880	\$27.86		\$27.86			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	John Johnson	3456 Maryland Avenue, Baldwin Park, CA 91706	\$0.05		\$0.05			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	Julian Lugo	12435 Nordesta Drive, Norwalk, CA 90650	\$3.79		\$3.79			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	Kyle DeGough	11210 Forbes Avenue, Granada Hills, 91344	\$670.46		\$670.46			Post 86 EOP Payment

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
507(a)(4-5) Priority Employees	Manuel D. Reyes	301 N Nora Avenue, West Covina, CA 91790	\$3.78		\$3.78			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	Mervin L. Heuseveldt	12224 Torrey Pines Drive, Auburn, CA 95602	\$0.10		\$0.10			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	Mike Evans	1604 Luray Street, Long Beach, CA 90807	\$1,286.05		\$1,286.05			Employee Stock Ownership Plan Distribution Payment
507(a)(4-5) Priority Employees	Sherry Bechtel	2357 S. Lakeshore Drive, Pacific, MO 63069-4655	\$0.16		\$2,664.97	3/15/2017	10	Employee Stock Ownership Plan Distribution Payment
subtotal priority employees			\$7,262.68		\$18,217.83			
507(a)(8) Priority Taxes	Employment Development Department	EDD PO BOX 826880 MIC 92E SACRAMENTO, CA 94280-0001	WITHDRAWN		\$0.00	2/6/2017	4	WITHDRAWN 5/10/2017, DN70
507(a)(8) Priority Taxes	Internal Revenue Service	Internal Revenue Service P.O. Box 7346 Philadelphia PA 19101-7346			\$0.00	3/23/2017	5	Amended Claim, Amount \$0.00
Subtotal priority taxes					\$0.00			

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class I Secured	Marlin Business Bank	P.O. Box 13604 Philadelphia PA 19101	Was \$19,100.48, Has been paid outside of Plan		\$0.00	3/22/2017	13	claim was withdrawn 9/1/2017, DN 158
Class I Secured	People's Capital and Leasing	255 Bank St., 4th Floor Waterbury CT 6702	Was \$581,034.56. Has been paid outside of Plan		\$0.00	3/10/2017	7	loan
					\$0.00			
Class II Unsecured	American Express	P.O. Box 297879 Fort Lauderdale FL 33329-7879	\$3,518.47		\$4,804.03	1/24/2017	3	Credit Card
Class II Unsecured	Bandini Truck Terminal	3152 Bandini Blvd, Los Angeles, CA 90058	\$1,650.00		\$1,650.00			Weigh Services
Class II Unsecured	Bank of America	P.O. Box 15796 Wilmington DE 19886-5731	\$1,702.87		\$1,702.87			Credit Card
Class II Unsecured	Benny's Oil Filter & Recycling	6040 Walker Avenue Maywood CA 90270	\$696.95		\$696.95			Used oil/filter pickup
Class II Unsecured	Betts Truck Parts & Svc.	File 50413, Los Angeles, CA 90074-0413	\$1,272.38		\$1,272.38			Truck Parts
Class II Unsecured	BNSF Railroad	3110 Solutions Center Chicago IL 60677-3001	\$800.00		\$800.00	3/17/2017	11	Track rental/Per diem
Class II Unsecured	Board of Trustees of the Teamsters and Food Employers Security Trust Fund	c/o Wohlner Kaplon Cutler Halford & Rosenfeld, 16501 Ventura Boulevard, Suite 304, Encino, CA 91436	\$193,788.63		\$183,545.47	4/25/2017	17	Claim arising pusuant to collective barganing agreement, health & welfare benefits

**EXHIBIT A**

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class II Unsecured	Brake - Co. [\$0, included for notice]	3840 Fruitland Avenue Vernon CA 90058	\$0.00		\$0.00			Parts
Class II Unsecured	Budget Uniform Rental Supply	1702 W. 134th Street Gardena CA 90247	\$2,302.24		\$22,916.39	3/3/2017	6	Shop supplies/Uniforms
Class II Unsecured	Commercial Tire	PO Box 58707, Los Angeles, CA 90058	\$8,716.68		\$8,716.68			Tires
Class II Unsecured	Cummins	PO Box 848731, Los Angeles, CA 90084-8731	\$599.00		\$599.00			Parts/Service
Class II Unsecured	De La Rosa Office Cleaning	9631 Senwood Street, Bellflower, CA 90706	\$360.00		\$360.00			Cleaning Services
Class II Unsecured	DMV [\$0, included for notice]		\$0.00		\$0.00			
Class II Unsecured	Econoline Portable Restrooms	631 N Bristol St #65, Santa Ana, CA 92703	\$106.85		\$106.85			Portable Restrooms
Class II Unsecured	Fair Harbor Capital, LLC [transferee from Interstate Filter Services]	Ansonia Finance Station, PO Box 237037, New York, NY 10023	\$907.85		\$907.85			claim was transferred to Fair Harbor Capital from orig. claimant Interstate Filter Svcs 11/8/2017, DN182

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class II Unsecured	Fair Harbor Capital, LLC [transferee from United Towing Services]	Ansonia Finance Station, PO Box 237037, New York, NY 10023	\$500.00		\$500.00	4/14/2017	15	Claim was transferred to Fair Harbor Capital from orig. claimant United Towing Services on 11/8/2017, DN 183
Class II Unsecured	Fair Harbor Capital, LLC [transferee from Westrux]	Ansonia Finance Station, PO Box 237037, New York, NY 10023	\$1,983.18		\$1,983.18			Claim was transferred to Fair Harbor Capital from orig. claimant Westrux on 11/8/2017, DN 184
Class II Unsecured	Fleetpride	P.O. Box 847118 Dallas TX 75284- 7118	\$416.80		\$416.80			Parts
Class II Unsecured	Food Express	521 North First Avenue Arcadia CA 91006-0460	\$9,135.12		\$9,135.12			Wash rack usage & Subhaul
Class II Unsecured	Hoyal [\$0, included for notice]	Please see Hoyal Family Trust	\$0.00		\$0.00			
Class II Unsecured	Hoyal Family Trust address no. 2[\$0, included for notice]	3990 Westerly Pl., Suite 180 Newport Beach CA 92660	\$0.00		\$0.00			Office/Yard rent
Class II Unsecured	Hoyal Family Trust[\$0, included for notice]	c/o Theo Pacific Corporation Newport Beach CA 92660	\$0.00		\$0.00			Office/Yard rent

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class II Unsecured	Industrial Fumigant	PO Box 844290, Callas, TX 75284	\$460.14		\$460.14			Pest Control
Class II Unsecured	Inland Kenworth, Inc.	1600 W. Washington Blvd., Montebello, CA 90640	\$579.54		\$579.54			Parts
Class II Unsecured	Interstate Battery System	7327 Whittier Avenue Whittier CA 90602	\$825.76		\$825.76			Parts
Class II Unsecured	JDS Tank Testing & Repair	P.O. Box 1241 Stanton CA 90680	\$455.00		\$455.00			Underground Tank Testing/Monitoring As required by LA County and State of Calif
Class II Unsecured	Johnson Hardware	3600 E. Slauson Avenue Maywood CA 90270	\$72.47		\$72.47			Parts
Class II Unsecured	LAJ (Railroad)	4433 Exchange Ave. Los Angeles CA 90058						Track rental/Per diem
Class II Unsecured	Little John, Inc.	PO Box 5177, Spartanburg, SC 29304	\$399.49		\$399.49			Parts
Class II Unsecured	Matheson Tri-Gas Sims Welding	Dept LA 23793 Pasadena CA 91185-3793	\$396.43		\$396.43			Cylinder rental/welding gases
Class II Unsecured	MCI	PO Box 15043, Albany, NY 12212- 5043	\$13.25		\$13.25			Long Distance Service

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class II Unsecured	ML Bernie	2245 First Street #211A Simi Valley CA 93065	\$80.75		\$80.75			Parts
Class II Unsecured	Nationwide Carrier Services Licensing	1304 West Whittier Blvd, Montebello, CA 90640	\$485.00		\$485.00			DMV License Service
Class II Unsecured	Northwest Administrators, Inc.	c/o Reid, McCarthy, Ballew & Leahy, 100 W. Harrison St., Suite 300, Seattle, WA 98119	\$0.00		\$0.00			Notice Only/Agent for Western Conference of Teamsters Pension Trust Fund
Class II Unsecured	Pacific Bulk[\$0, included for notice]	543 Overmyer Road Sparks NV 89431	\$0.00		\$0.00			Parts
Class II Unsecured	Parts Boys	3400 Fruitland Avenue, Maywood, CA 90270	\$430.55		\$430.55			Parts
Class II Unsecured	Phillip 66[\$0, included for notice]	P.O. Box 530970 Atlanta GA 30353- 0970	\$0.00		\$0.00			Gasoline
Class II Unsecured	Pitney Bowes Financial Services	PO Box 371887, Pittsburgh, PA 15250-7887	\$423.21		\$423.21			Postage/Machine Rental
Class II Unsecured	Polar	7600 East Sam Houston Parkway North Houston TX 77049	\$1,217.29		\$719.86	3/14/2017	9	Parts
Class II Unsecured	Robert W. Bollar, Esq. [\$0, included for notice]	1800 W. Katella Avenue, #400, Orange, CA 92867	\$0.00		\$0.00			Related to Betts Truck Parts and Svc.
Class II Unsecured	SC Lubes	P.O. Box 5765 Orange CA 92863- 5765	\$1,473.68		\$1,473.68	3/10/2017		<b>EXHIBIT A</b> 8 OM/DEF <b>Page 49</b>

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class II Unsecured	Sparkletts	PO Box 7126, Pasadena, CA 91109	\$201.63		\$201.63			Water
Class II Unsecured	Sprint	PO Box 4181, Carol Stream, IL 60197-4181	\$1,079.47		\$1,079.47			Wireless Communication
Class II Unsecured	Stacy Medical Center	PO Box 57829, Sherman Oaks, CA 91413-2829	\$110.00		\$110.00			Driver Physicals
Class II Unsecured	Staples Credit Plan	Dept. 51- 7811110740, PO Box 78004, Phoenix, AZ 85062- 8004	\$206.50		\$206.50			Office Supplies
Class II Unsecured	TEC	P.O. Box 11272 Portland OR 97211	\$77.58		\$77.58			Parts/Service
Class II Unsecured	The Los Angeles Junction Rail[\$0, included for notice]	3110 Solutions Center Chicago IL 60677-3001	\$0.00		\$0.00			Related to BNSF Railway
Class II Unsecured	Truck PRO/PTO Sales[\$0, included for notice]	29787 Network Place Chicago Il 60673-1787	\$0.00		\$0.00			duplicate
Class II Unsecured	Truck Specialty	4019 E. 52nd Street Maywood CA 90270	\$46.38		\$46.38			Parts
Class II Unsecured	Truckpro, LLC DBA/PTO Sales	29787 Network Place Chicago Il 60673-1787	\$1,405.58		\$1,405.58			Parts
Class II Unsecured	U.S. Telepacific Corp	Office of General Counsel 515 S Flower St 47th Floor Los ANGELES CA 90071-2201	\$1,645.62		\$2,024.21	5/1/2017	18	business telephone services

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class II Unsecured	Wells Fargo Bank, N.A., Energy Product Company	PO Box 202056, Dallas, TX 75320- 0256	\$47,509.53		\$47,509.53			Diesel Fuel
Class II Unsecured	Wells Fargo Vendor Financial Services, LLC [paid outside of plan]	Wells Fargo Vendor Financial Services, LLC attn Lisa Boddicker 1010 Thomas Edison Blvd., SW Cedar Rapids, IA 52404				4/21/2017	16	paid outside of plan
Class II Unsecured	Western Allied	P.O. Box 3628 Santa Fe Springs CA 90670-1628	\$196.00		\$196.00			Office A/C Service
Class II Unsecured	Western Conference of Teamsters Pension Trust Fund	C/O Reid McCarthy Ballew & Leahy LLP 100 West Harrison Street, North Tower, Suite 300, Seattle, WA 98119			\$217,972.42	1/13/2017, amended 5/23/2017	2	
Class II Unsecured	Zamora Lawn Services	1650 Lagoon Avenue, Wilmington, CA 90744	\$100.00		\$100.00			Landscaping Services
subtotal unsecured					\$517,858.00			
Class III Insiders	Dan Hubbard	3500 Fruitland Ave. Maywood CA 90270	\$7,800.00		\$7,800.00			Shop Pickup Rental
Class III Insiders	Keeney Family Trust	824 Pan Vista Dr. Omak WA 98841	\$46,037.70		\$40,165.62	4/3/2017		

**EXHIBIT A** Jan

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class III Insiders	Pallets Plus, Inc.	3500 Fruitland Ave. Maywood CA 90270	\$5,699.00		\$5,699.00			. Pallets Plus is an "affiliate" of Debtor under §101(2)(B) because its stock is owned by insiders, Dan Hubbard, Maria Hubbard, Robert Hubbard, Danielle Hubbard, and Michael Hubbard, and for that reason is being treated as an insider for calculating its dividend
Class III Insiders	Pallets Plus, Inc.	3500 Fruitland Ave. Maywood CA 90270			\$35,757.73	1/5/2017	1	Claim was transferred to Pallets Plus from orig. claimant SC Fuels on 9/1/2017, DN 159
Class III Insiders	Walter L. Keeney	521 North First Avenue Arcadia CA 91006-0460	\$1,606.81		\$1,606.81			Employee Stock Ownership Plan Distribution
total insiders					\$91,029.16			
Total Unsecureds					\$608,887.16			
Total All Claims					\$774,604.99			

<u>Class</u>	<u>Name</u>	<u>Address</u>	<u>Scheduled Amount</u>	<u>Schedule d as Disputed ?</u>	<u>Filed Claim Amount or Scheduled Undisputed Amount [CONTROLLING AMOUNTS]</u>	<u>Proof of Claim Filed Date</u>	<u>Proof of Claim No.</u>	<u>Notes</u>
Class IV Shareholders	Dan Hubbard							
	Robert Hubbard							
	ESOP Trustees							
	Roland Attenborough, Esq. [counsel for ESOP]							
	Eugene Hubbard							
	Joanna Keeney							
	Karyl Hubbard							
	Keeney Family Trust-WLK Trustee							
	Kevin Keeney							
	Madeline Jenkins							
	Margaret S. Hubbard							
	Walter Keeney							

# EXHIBIT 2

Description of Plan Payout			
<u>Class</u>	<u>Payment Amount</u>	<u>Payment(s) Date</u>	<u>Comments</u>
cash on hand	\$800,000.00		
507(a)(2) - Administrative	\$147,500.00	Later of effective date or April 1, 2018	
	\$652,500.00		
507(a)(4-5) - Priority Employees	\$18,217.83	Later of effective date or April 1, 2018	
	\$634,282.17		
Class II General Unsecured	\$517,858.00	Later of effective date or April 1, 2018	The total in net funds available from sales of assets will be distributed in a lump payment to general unsecured creditors.
	\$116,424.17		
Class III General Unsecured -- Insiders	\$91,029.16		
	\$25,395.01		
Class IV Shareholders	\$0.00		

# EXHIBIT 3

**Keeney Truck Lines, Inc.****Balance Sheet**

As of December 31, 2017

	<u>Dec 31, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1006 - CASH IN BANK - CUB	38,393.30
1007 - MUTUAL OF OMAHA GENERAL	727,359.97
1008 - MUTUAL OF OMAHA PAYROLL	-4,980.88
<b>Total Checking/Savings</b>	<u>760,772.39</u>
<b>Accounts Receivable</b>	
1100 Accounts Receivable	64,895.14
<b>Total Accounts Receivable</b>	<u>64,895.14</u>
<b>Other Current Assets</b>	
1020-1 Misc Special Deposits	15,167.00
1040 Stock-Cal-Truck Insurance	30,000.00
1041 Cal-Truck Insurance Col.	220,216.00
1140 PREPAID ASSETS	
1147 PPD CA Inc Tax, City Lic	800.00
<b>Total 1140 PREPAID ASSETS</b>	<u>800.00</u>
<b>Undeposited Funds</b>	<u>3,748.50</u>
<b>Total Other Current Assets</b>	<u>269,931.50</u>
<b>Total Current Assets</b>	<u>1,095,599.03</u>
<b>TOTAL ASSETS</b>	<b><u>1,095,599.03</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	348,842.02
<b>Total Accounts Payable</b>	<u>348,842.02</u>
<b>Total Current Liabilities</b>	<u>348,842.02</u>
<b>Total Liabilities</b>	348,842.02
<b>Equity</b>	
<b>2600 EQUITY</b>	
2610-001 Capital Stock - Common	332,443.75
<b>Total 2600 EQUITY</b>	<u>332,443.75</u>
<b>2653 Retained Earnings</b>	801,246.25
Net Income	-386,932.99
<b>Total Equity</b>	<u>746,757.01</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>1,095,599.03</u></b>

# EXHIBIT 4

**Keeney Truck Lines, Inc.****Profit & Loss**

January through December 2017

	<u>Jan - Dec 17</u>
<b>Income</b>	
3300 Freight Revenue	
3311 Unit Bulk	-73.76
3321 Hourly Bulk	1,163.75
3330 Van-Other	535,766.14
3331 Bulk-Other	416,438.03
3335 Private Property	14,016.70
3340 CA Linehaul-Van	66,330.91
3360 Interstate Van	23,734.90
<b>Total 3300 Freight Revenue</b>	<u>1,057,376.67</u>
4511-A Fuel Surcharges	132,585.39
4591-1 Lumpers & Driver Unload	2,775.00
8215 Dividend Income	119,338.30
<b>Total Income</b>	<u>1,312,075.36</u>
<b>Gross Profit</b>	1,312,075.36
<b>Expense</b>	
4100 SALARIES & WAGES	
4119 Officers Salaries	132,000.00
4131 Supervisors Salaries	26,500.00
4139 General Office Salaries	21,776.54
<b>Total 4100 SALARIES &amp; WAGES</b>	<u>180,276.54</u>
4200 WAGES	
4221-1 Drivers Wages Hourly	182,345.19
4221-2 Drivers Wages Mileage	14,853.92
4241 Shop Wages	
4241-1 Shop Wages Credits	-37,304.24
4241 Shop Wages - Other	109,097.76
<b>Total 4241 Shop Wages</b>	<u>71,793.52</u>
<b>Total 4200 WAGES</b>	268,992.63
4300 MISC PAID TIME OFF	
4321 Misc Paid Time Off-Drivers	-12,898.78
<b>Total 4300 MISC PAID TIME OFF</b>	<u>-12,898.78</u>
4400 P/R TAXES AND FRINGES	
4419 Fed Payroll Tax Expense	43,106.15
4419 Fed Payroll Taxes	565.56
4429 State Payroll Taxes	4,620.20
4439 Workers Comp Ins. Expense	4,764.57
4491 Other Fringes-Drivers	47,008.60
4496 Other Fringes-Mechanics	2,682.39
4498 Pension Payments (401k)	4,089.69
4499 Other Fringes-G & A	27,265.50
<b>Total 4400 P/R TAXES AND FRINGES</b>	<u>134,102.66</u>
4500 REPAIRS AND FUEL	
4511 Fuel expense	79,552.07
4521 Lube Oils & Coolants	5,144.08
4531 Vehicle Parts	16,998.35
4541 Vehicle Maint Outside Vend	3,727.62
4551 Tire Exp. Revenue Vehicles	11,385.26
4556 Tire Expense-Ser Vehicles	707.89
4591 Other Oper. Exp. Rev Veh.	40,148.35
4596 Other Oper. exp. Maint Veh	5,885.11
4599 Other Oper. Exp. Office Ve	-10,879.09
<b>Total 4500 REPAIRS AND FUEL</b>	<u>152,669.64</u>
4600 GENERAL OFFICE EXPENSES	
4611 Gen Supplies & Expenses	7,803.52
4619 Office Supplies	2,805.22
4667 Officers Expenses	567.03

**Keeney Truck Lines, Inc.****Profit & Loss**

January through December 2017

	<u>Jan - Dec 17</u>
4699 Other Office Expenses	11,298.68
<b>Total 4600 GENERAL OFFICE EXPENSES</b>	<b>22,474.45</b>
<b>4700 TAXES &amp; LICENSES</b>	
4721 Heavy Vehicle Use Tax	6,095.80
4759 Real Estate & P.P. Taxes	749.84
4761 State Fuel Taxes	-688.05
4771 State Vehicle Licenses	32,433.58
<b>Total 4700 TAXES &amp; LICENSES</b>	<b>38,591.17</b>
<b>4800 INSURANCE EXPENSES</b>	
4801 Insurance Deductible Exp	39.25
4811-1 Insurance Exp. Paminco	1,640.93
4811 Insurance B.I & P.D	119,306.06
4821 Insurance Expense Cargo	10,388.04
4899 Other Ins Exp. G & A	2,933.08
<b>Total 4800 INSURANCE EXPENSES</b>	<b>134,307.36</b>
<b>5100 COMMUNICATION &amp; UTILITIES</b>	
5110 Communication Expense	25,497.21
5111 Utilities Exp. Gas & Elect	8,608.94
<b>Total 5100 COMMUNICATION &amp; UTILITIES</b>	<b>34,106.15</b>
<b>5300 DEPRECIATION EXPENSE</b>	
5321 Dep. Exp. Revenue Equip	126,677.10
5336 Dep. Exp. Service Equip	2,928.00
5346 Dep. Exp. Shop Equip	3,496.74
5359 Dep. Exp. Office Equip.	817.44
5361 Dep. Exp. Misc Rev Equip.	1,636.86
5379 Dep. Exp. Leasehold Prop.	1,092.78
<b>Total 5300 DEPRECIATION EXPENSE</b>	<b>136,648.92</b>
<b>5400 VEHICLE RENTS</b>	
5421 Veh. Rents Wirh Driver	236,607.01
5431 Veh. Rents W/Out Driver	-70,392.40
<b>Total 5400 VEHICLE RENTS</b>	<b>166,214.61</b>
<b>5500 PROP. &amp; OFFICE EQUIP RENTS</b>	
5519 Property Rents	75,600.00
<b>Total 5500 PROP. &amp; OFFICE EQUIP RENTS</b>	<b>75,600.00</b>
<b>5700 GAIN/LOSS ON EQUIP SALES</b>	
5719 Gain On Sale of Equipment	-315,055.06
<b>Total 5700 GAIN/LOSS ON EQUIP SALES</b>	<b>-315,055.06</b>
<b>5900 JOINT CREDITS</b>	
5929 Joint Credits-Office	-5,527.21
5939 Professional services	115,203.72
<b>Total 5900 JOINT CREDITS</b>	<b>109,676.51</b>
<b>8400 BAD DEBTS</b>	<b>551,355.12</b>
<b>8500 Employee Payroll Ded/Pay</b>	<b>1,384.11</b>
<b>8600 INTEREST EXPENSES</b>	
8600-3 Interest Exp-BofA	52.76
8600-5 Int Exp. US Business	1,375.32
8600-6 Int Exp Peoples Capitol	22,294.64
8600 INTEREST EXPENSES - Other	-3,160.40
<b>Total 8600 INTEREST EXPENSES</b>	<b>20,562.32</b>
<b>Total Expense</b>	<b>1,699,008.35</b>
<b>Net Income</b>	<b>-386,932.99</b>

# EXHIBIT 5

Liquidation Analysis				
	Chapter 7		Chapter 11	
<u>Class</u>	<u>Payment Amount</u>		<u>Payment Amount</u>	
cash on hand	\$800,000.00		\$800,000.00	
Chapter 7 Administrative Claims	\$50,000.00			
Chapter 7 Trustee	\$38,750.00			
Chapter 11 Administrative	\$147,500.00		\$147,500.00	
507(a)(4-5) - Priority Employees	\$18,217.83		\$18,217.83	
	\$545,532.17		\$634,282.17	
Class II General Unsecured	\$517,858.00	<b>100.00%</b>	\$517,858.00	<b>100%</b>
	\$27,674.17		\$116,424.17	
Class III General Unsecured Insiders	\$91,029.16	<b>30%</b>	\$91,029.16	<b>100%</b>
			\$25,395.01	
All General Unsecured	\$608,887.16	<b>90%</b>		
	-\$63,354.99			

# EXHIBIT 6

1 William P. Fennell (SBN 164210)  
Of Counsel: Melissa A. Blackburn Joniaux (SBN 105470)  
2 Of Counsel: Charles F. Bethel (SBN 126036)  
LAW OFFICE OF WILLIAM P. FENNELL, APLC  
3 401 West A Street, Suite 1800  
San Diego, CA 92101  
4 Tel: (619) 325-1560  
Fax: (619) 325-1558

5 Attorneys for Keeney Truck Lines, Inc.,  
6 Debtor-in-Possession

7  
8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

10 In re: ) Case No. 2:16-bk-26393-SK  
11 KEENEY TRUCK LINES, INC. ) Chapter 11  
12 ) **BALLOT FOR ACCEPTING OR**  
13 Debtor. ) **REJECTING PLAN**  
14 ) The Honorable Sandra R. Klein  
15 )  
16 )

17 Debtor, Keeney Truck Lines, Inc., debtor in possession, filed a Plan of  
18 Reorganization (Plan) on January 16, 2018. By this ballot you will decide whether to  
19 accept or reject this Plan.

20 The Plan referred to in this ballot can be confirmed by the Court and thereby bind  
21 you if it is accepted by the holders of two-thirds in amount and more than one-half in  
22 number of claims in each class and the holders of two-thirds in amount of equity security  
23 interests in each class voting on the Plan.

24 If the requisite acceptances are not obtained, the Court may nevertheless confirm  
25 the Plan if the Court finds that the Plan accords fair and equitable treatment to the class or  
26 classes rejecting it and otherwise satisfies the requirements of 11 U.S.C.A. § 1129(b)  
27 (West 2004 & Supp. 2006).

28 ///

1 Check the appropriate line below, which describes your interest:

2 A. \_\_\_\_\_ The undersigned, a creditor with an allowed claim  
3 in the amount of \$ \_\_\_\_\_:

4 B. \_\_\_\_\_ The undersigned, a holder of a bond in the amount  
5 of \$ \_\_\_\_\_, with a stated maturity date of \_\_\_\_\_, registered in the  
6 name of \_\_\_\_\_, and bearing serial number(s) \_\_\_\_\_:

7 C. \_\_\_\_\_ The undersigned, the holder of \_\_\_\_\_ shares of \_\_\_\_\_  
8 (explain type of stock) stock, with a certificate(s) no. \_\_\_\_\_:

9  Accepts the Plan

Rejects the Plan

10

11 Print or type name: \_\_\_\_\_

12 State which class you are a member of: \_\_\_\_\_

13 Signed: \_\_\_\_\_

14 If appropriate, by: \_\_\_\_\_ as \_\_\_\_\_

15 Address: \_\_\_\_\_

16 \_\_\_\_\_

17 Return this ballot on or before \_\_\_\_\_, 2018

18

19 to

20 William P. Fennell, Esq.  
21 LAW OFFICE OF WILLIAM P. FENNELL, APLC  
22 401 West A Street, Suite 1800  
23 San Diego, CA 92101

24 Attorneys for Keeney Truck Lines, Inc.,  
25 Debtor-in-Possession

26

27

28

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

401 West A Street, Suite 1800, San Diego, CA 92101

A true and correct copy of the foregoing document entitled (*specify*): MOTION FOR ORDER APPROVING ADEQUACY OF AMENDED DISCLOSURE STATEMENT, MEMORANDUM OF POINTS AND AUTHORITIES

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **January 16, 2018**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) **January 16, 2018**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

1/16/2018

*Date*

Candace Whiting

*Printed Name*

/s/Candace Whiting

*Signature*

**ATTACHMENT TO PROOF OF SERVICE****TO BE SERVED BY THE COURT VIA NEF:**

**William P Fennell** william.fennell@fennelllaw.com, luralene.schultz@fennelllaw.com;  
 wpf@ecf.courtdrive.com; charles.bethel@fennelllaw.com;  
 mblackburnjoniaux@yahoo.com; candace.ceballos@fennelllaw.com

**Fredric Glass** fglass@fairharborcapital.com

**Marshall F Goldberg** mgoldberg@glassgoldberg.com

**Dare Law** dare.law@usdoj.gov, Kenneth.g.lau@usdoj.gov, Alvin.mar@usdoj.gov,  
 ron.maroko@usdoj.gov

**Valerie Smith** claims@recoverycorp.com

**Nicholas Starkman** nstarkman@wkclegal.com, syoung@wkclegal.com

**United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov

**Hatty K Yip** hatty.yip@usdoj.gov

**SERVED BY UNITED STATES MAIL:**

Hon. Sandra R. Klein United States Bankruptcy Court Central District of California 255 E. Temple Street, Suite 1582/ Courtroom 1575 Los Angeles, CA 90012	Keeney Truck Lines, Inc. 3500 Fruitland Avenue Maywood, CA 90270 <i>Debtor</i>	Board of Trustees Teamsters Trust c/o Kathryn Halford / Amanda Lively c/o Elizabeth Rosenfeld c/o Nicholas I. Starkman 16501 Ventura Blvd, #304 Encino, CA 91436 <i>20 Largest Unsecured Creditor Request for Special Notice</i>
Office of the United States Trustee Attn: Dare Law, Esq. 915 Wilshire Blvd., Suite 1850 Los Angeles, CA 9017	U.S. Securities and Exchange Commission Attn: Bankruptcy Counsel 444 South Flower St, Ste. 900 Los Angeles, CA 90071-9591	

~~Label Matrix for local notieing~~  
~~0973-2~~  
~~Case 2:16-bk-26393-SK~~  
~~Central District of California~~  
~~Los Angeles~~  
~~Mon Jan 15 17:11:02 PST 2018~~

Board of Trustees of the Teamsters and Food  
 c/o Wohlner Kaplon Cutler Halferd  
 16501 Ventura Blvd., Suite 304  
 Encino, CA 91436-2067

Ansonia Finance Station  
 PO Box 237037  
 New York, NY 10023-0028

Keeney Truck Lines, Inc.  
 3500 Fruitland Ave.  
 Maywood, CA 90270-2008

Los Angeles Division  
 255 East Temple Street,  
 Los Angeles, CA 90012-3332

American Express  
 P.O. Box 297879  
 Fort Lauderdale, FL 33329-7879

American Express Bank, FSB  
 c/o Becket and Lee LLP  
 PO Box 3001  
 Malvern PA 19355-0701

BNSF Railroad  
 3110 Solutions Center  
 Chicago, IL 60677-3001

BNSF Railway  
 920 SE Quincy  
 9th Floor  
 Topeka, KS 66612-1116

BNSF Railway Company  
 2500 Lou Menk Drive  
 Forth Worth TX 76131-2828

Bandini Truck Term  
 3152 Bandini Blvd.  
 Los Angeles, CA 90058-4141

(p)BANK OF AMERICA  
 PO BOX 982238  
 EL PASO TX 79998-2238

Benny's Oil Filter & Recycling  
 6040 Walker Ave.  
 Maywood, CA 90270-3547

Betts Truck Parts & Service  
 File 50413  
 Los Angeles, CA 90074-0413

Board of Trustees Teamsters Trust  
 c/o Wohlner Kaplon et al.  
 16501 Ventura Blvd, #304  
 Encino, CA 91436-2067

Broomall Trucking, Inc.  
 3500 Fruitland Ave.  
 Maywood, CA 90270-2008

Budget Uniform Rental Supply  
 Stephen P Shrager  
 1702 W. 134th Street  
 Gardena, CA 90249-2016

Cecil Reyes  
 7927 E. Arroyo Avenue  
 Rosemead, CA 91770-4152

Charles E. Randmel  
 441 Calle Borrego  
 Walnut, CA 91789-1705

Commercial Tire  
 P.O. Box 58707  
 Los Angeles, CA 90058-0707

Cummins  
 PO Box 848731  
 Los Angeles, CA 90084-8731

Dan Hubbard  
 3500 Fruitland Ave.  
 Maywood, CA 90270-2008

Dan and Madeline Keeney Residual Trust  
 Karyl K Hubbard, tte  
 824 Pan Vista Dr  
 Omak WA 98841-9381

De La Rosa Office Cleaning  
 9631 Senwood Street  
 Bellflower, CA 90706-2339

Econoline Portable Restrooms  
 631 N Bristol St #65  
 Santa Ana, CA 92703-2182

Eloy Adame  
 5651 Via Corona Street  
 Los Angeles, CA 90022-2801

Employment Development Department  
 Bankruptcy Group MIC 92E, PO BOX 826880  
 Sacramento, CA 95814

Fleetpride  
 P.O. Box 847118  
 Dallas, TX 75284-7118

Food Express  
 521 North First Avenue  
 Arcadia, CA 91006-2858

Fulgencio Bonilla  
 1226 E. Louisa Avenue  
 West Covina, CA 91790-1348

Case 2:16-bk-26393-SK  
(p) INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 7346  
PHILADELPHIA PA 19101-7346

Doc 196 Filed 01/16/18 Entered 01/16/18 21:00:45 Desc  
Industrial Fumigant  
Main Document Page 69 of 71  
PO Box 844290  
Dallas, TX 75284-4290

Inland Kenworth, Inc.  
1600 W. Washington Blvd.  
Montebello, CA 90640-5422

Interstate Battery System  
7327 Whittier Avenue  
Whittier, CA 90602-1132

Interstate Filter Services  
15006 E Arrow Hwy  
Baldwin Park, CA 91706-1825

J. Calvin De Jager  
18461 Old River Road  
Bakersfield, CA 93311-9765

JDS Tank Testing & Repair  
P.O. Box 1241  
Stanton, CA 90680-1241

James Stout  
1064 Westbrook Street  
Corona, CA 92880-1215

John Johnson  
3456 Maryland Avenue  
Baldwin Park, CA 91706-5518

Johnson Hardware  
3600 E. Slauson Avenue  
Maywood, CA 90270-2697

Julian Lugo  
12435 Nordeste Drive  
Norwalk, CA 90650-8021

Kathryn J. Halford, Attorney  
Wohlner Kaplon Cutler et. al.  
16501 Ventura Blvd, Suite 304  
Encino, CA 91436-2067

Keeney Family Trust  
824 Pan Vista Dr.  
Omak, WA 98841-9381

Konica Minolta  
PO Box 31001-0273  
Pasadena, CA 91110-0273

Kyle Degough  
11210 Forbes Avenue  
Granada Hills, CA 91344-4233

Little John, Inc.  
PO Box 5177  
Spartanburg, SC 29304-5177

MCI  
PO Box 15043  
Albany, NY 12212-5043

ML Bernie  
2245 First Street #211A  
Simi Valley, CA 93065-0905

Manuel D. Reyes  
301 N Nora Avenue  
West Covina, CA 91790-1500

Marlin Business Bank  
300 Fellowship Road  
Mount Laurel, New Jersey 08054-1201  
Attn.: Bankruptcy Department

Marlin Business Bank  
P.O. Box 13604  
Philadelphia, PA 19101-3604

Matheson Tri-Gas/Sims Welding  
Dept LA 23793  
Pasadena, CA 91185-3793

Mervin L. Heuseveldt  
12224 Torrey Pines Drive  
Auburn, CA 95602-8103

Mike Evans  
1604 Luray Street  
Long Beach, CA 90807-1220

Nationwide Carrier Services  
Licensing  
1304 West Whittier Blvd.  
Montebello, CA 90640-4601

Northwest Administrators, Inc.  
c/o Reid, McCarthy, Ballew & Leahy  
100 W. Harrison St., Suite 300  
Seattle, WA 98119-4116

PRA Receivables Management, LLC  
PO Box 41021  
Norfolk, VA 23541-1021

Pallets Plus, Inc.  
3500 Fruitland Ave.  
Maywood, CA 90270-2008

Pallets Plus, Inc.  
c/o Yasmine Hussein  
200 S. Los Robles Ave., Suite 530  
Pasadena, CA 91101-5801

Parts Boys  
3400 Fruitland Avenue  
Maywood, CA 90270-2007

People's Capital and Leasing  
255 Bank St., 4th Floor  
Waterbury, CT 06702-2228

Pitney Bowes Financial Services  
PO Box 371887  
Pittsburgh, PA 15250-7887

7600 East Sam Houston Parkway N  
Houston, TX 77049-3000

Reid McCarthy Ballew & Leahy LLP  
100 West Harrison Street  
North Tower, Suite 300  
Seattle, WA 98119-4116

Robert Hubbard  
3500 Fruitland Ave.  
Maywood, CA 90270-2008

Robert W. Bollar, Esq.  
1800 W. Katella Ave., #400  
Orange, CA 92867-3449

Sherry Bechtel  
2357 S. Lakeshore Drive  
Pacific, MO 63069-4655

South Coast Air Quality Mgmt Dist  
Attn: Goods Mvt Cont  
Admin Tech Adv  
21865 Copley Dr  
Diamond Bar, CA 91765-4178

Southern Counties Lubricants, LLC  
1800 W. Katella Ave, Ste. 400  
Orange, CA 92867-3449

Southern Counties Oil Co.  
dba SC Fuels  
P.O. Box 4159  
Orange, CA 92863-4159

Sparkletts  
PO Box 7126  
Pasadena, CA 91109

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OVERLAND PARK KS 66207-0949

Stacy Medical Center  
PO Box 57829  
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Staples Credit Plan  
Dept. 51-7811110740  
PO Box 78004  
Phoenix, AZ 85062-8004

TEC  
P.O. Box 11272  
Portland, OR 97211-0272

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Security Trust Fund  
PO Box 8262  
Pasadena, CA 91109-8262

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3110 Solutions Center  
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14949 Valley Blvd  
Fontana CA 92335-6282

United Towing Services  
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Downey, CA 90241-0642

Walter L. Keeney  
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Arcadia, CA 91006-2858

Wells Fargo Bank, N.A.  
Energy Product Company  
PO Box 202056  
Dallas, TX 75320-2056

Wells Fargo Vendor Financial Services LLC  
1010 Thomas Edison Blvd SW  
Cedar Rapids IA 52404-8247

Western Allied  
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Santa Fe Springs, CA 90670-1628

Western Conference of Teamsters  
Pension Trust Fund  
2323 Eastlake Aveue E  
Seattle, WA 98102-3963

Western Conference of Teamsters  
Pension Trust Fund  
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Los Angeles, CA 90084-1131

Western Conference of Teamsters  
Pension Trust Fund  
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Westrix  
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Norwalk, CA 90651-0309

Zamora Lawn Services  
1650 Lagoon Avenue  
Wilmington, CA 90744-1340

~~William P Fennell  
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Suite 1800  
San Diego, CA 92101-7924~~

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21600 Oxnard Street, Suite 320  
Woodland Hills, ca 91367-5095

California Truckers' Assoc.  
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Allen Lawrence & Assoc., LLC  
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Canoga Park, CA 91303

California Truckers' Assoc.  
Attn: Greg Famous  
AVI Risk Services  
985 Old Eagle School Rd, #504  
Wayne, PA 19087

Artex Risk Solutions (Cayman) Ltd  
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Safe Trucking Insurance, Ltd.  
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